

PITMAN'S BUSINESS MAN'S ENCYCLOPAEDIA AND DICTIONARY OF COMMERCE

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ASSISTED BY UPWARDS OF FIFTY SPECIALISTS AS CONTRIBUTORS
WITH NUMEROUS MAPS, ILLUSTRATIONS, FACSIMILE
BUSINESS FORMS AND LEGAL DOCUMENTS, DIAGRAMS, ETC.

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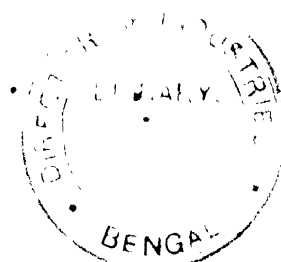
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[RAI]

RAISINS. Dried grapes imported from the Mediterranean countries, especially from Spain, which grows the well-known Malaga and Valencia varieties. Muscats (*q.v.*) are extensively grown in France, Italy, and Spain, and are dried on the vines, while other varieties are exposed to the sun after being plucked. Currants (*q.v.*) are the small dried grapes of the Ionian Islands, and the seedless raisins known as sultanas are obtained from Turkey. Raisins are much used as dessert, for culinary purposes, and in the manufacture of wines.

RAPE SEED. A useful oil seed obtained from two species of plants of the cabbage order. In Britain the winter rape or *Brassica napus* is the commonest variety. It is also known as colza seed, and is chiefly important as a cattle food. The *Brassica campestris*, or summer rape, is largely grown in France, Russia, and other parts of the Continent for the sake of its oil, which is used as a lubricant, and to a certain extent for illuminating purposes, though in the latter respect it is being rapidly displaced by the cheaper petroleum oils. (See *COLZA*.) The oil is obtained by crushing the seed, and is chiefly exported from Marseilles. The residue is known as rape seed or rape cake, and is useful as a manure and as fodder.

RAPPEE.—Coarse snuff, so-called from the French *rape*, a grater, the chief instrument used in its production.

RASPBERRY. The acid sweet fruit of the *Rubus Idæus*, a shrub widely cultivated in Britain and in many parts of the Continent. The fruit is eaten both fresh and cooked. It is also much used for jam, jelly, syrup, and raspberry vinegar, the last-named being a drink made of raspberry juice, vinegar, and cane sugar, with an optional flavouring of brandy.

RATEABLE VALUE.—This is the gross value of any property which is liable to be assessed for the payment of rates after deducting therefrom the probable annual average cost of the repairs, insurance, and other similar expenses. The rent will generally be the annual value when the tenant does all the repairs, pays insurance, etc., but where these payments are made by the landlord they must first of all be deducted from the rent payable by the tenant and the remainder will give the annual value which is the basis of the assessment. There is a certain maximum fixed beyond which reductions cannot be made so far as property in the metropolis is concerned. The rate of reduction is

set out in the third schedule of the Valuation of Property (Metropolis) Act, 1869, and is as follows:

(1) Houses and buildings, or either of them, without land other than gardens where the gross value is under £20—one-tenth of the gross value. (2) Houses and buildings, without land other than gardens and pleasure grounds valued therewith for the purpose of inhabited house duty where the gross value is £20 and under £40—one-fifth. (3) Houses and buildings, as in (2), where the gross value is £40 or upwards—one-sixth. (4) Buildings without land which are not liable to inhabited house duty and are of a gross value of £20 and under £40—one-fifth. (5) Buildings, as in (4), where the gross value is £40 or upwards—one-sixth. (6) Land with buildings not houses—one-twentieth. The other classes of hereditaments are not noticed here, as they are concerned with manufactories, etc., and not with ordinary households. If, therefore, a householder is of opinion that he is too highly assessed for rating purposes, he must begin by considering these questions of gross value, net value, and rateable value, and then he must examine into the allowance made on the ground of repairs, insurance, etc., and see whether they are really sufficient. If not he should appeal against his assessment.

RATE OF EXCHANGE.—This signifies the price of money in one country stated in the currency of another country, *i.e.*, the amount in the currency of one country which, on a given date, will be offered in exchange for a certain sum or unit in the currency of another country. The rates of exchange between countries vary from day to day, and it is a rare thing for them to be at par (*q.v.*). When the rate of exchange offered for bills of exchange drawn on foreign countries is high, the exchange is usually said to be favourable; if, on the other hand, it is low, the exchange is said to be unfavourable. This statement, however, is not strictly correct, and is only true of those countries in respect of which London quotes in their currency. It is not true of countries like Russia and Spain, for example (where the London quotation is stated in pence), since a high rate of exchange on the above countries is in *their* favour, but a low rate is favourable to London. The axiom should be stated in the more correct form as, "Low rates are favourable to the country in whose currency they are quoted, whilst high rates are unfavourable to the country in whose currency they are quoted."

The foreign importer in paying for goods he has purchased from us, prefers to remit sterling bills on London than for us to draw upon him. For we deal largely with sterling bills, which are to the advantage of the foreign bill. To us, however, they are not foreign bills, being drawn in our currency. The question of the rate of exchange is of considerable importance to the foreigner, as the cost of a bill depends thereon. As London pays by accepting bills drawn upon herself, and other countries pay by purchasing sterling bills on London and sending them by post, foreigners evince considerable interest in the fluctuations of the exchanges. To the manufacturer at home, the question of the fluctuation in the rates of exchange is of no particular interest, inasmuch as he sells his goods in sterling, and requires payment to be made in bills on London. The following point should be borne in mind. The rate of exchange, i.e., the price at which bills on one country are sold in the other, is fixed by those who draw and negotiate the bills. Consequently, since we accept very many bills but draw few, the exchanges between other countries and England are governed from those countries. London has hardly any voice in the matter. There are, however, a few exceptions to this rule.

By the Stamp Act, 1870, an instrument which is chargeable in this country with duty is liable to the amount calculated upon the rate of exchange at the date of the instrument. In arriving at the duty which is payable upon a bill of exchange, the amount of the bill upon which the stamp duty is admitted is found by calculating according to the rate of exchange on the day when the bill becomes payable. (See FOREIGN EXCHANGES.)

RATING AND LOCAL TAXATION.—A rate is a charge levied for local purposes, based upon an assessment of the annual value of property, its effect being to spread the cost of services established for the public benefit over all persons liable for contributions in respect thereof. The modern household is so accustomed to having all the advantages of a well-ordered community at his disposal, that he is inclined to lose sight of the benefits he enjoys, and is apt to regard local expenditure merely as an ever increasing burden; it is, however, only when the cost of any particular service is altogether out of proportion to the benefit derived therefrom that the charge upon the ratepayer may be regarded in this light.

The first rate authorised by statute was levied under the Poor Relief Act, 1601, which called upon the overseers to raise by taxation of every occupier and inhabitant of lands, houses, tithes, etc., in the parish, competent sums of money for and towards the necessary relief of the poor. This method of raising money for local requirements from occupiers of property has survived to the present day, as they are still held liable for the payment of rates, except in a few special instances which will be mentioned hereafter.

No guidance was contained in the Act of 1601 as to the manner in which the charges upon the occupiers were to be levied, the overseers being merely directed to raise the necessary sums according to the ability of the parish; consequently there was no uniformity in the valuation of property, each parish following out its own system. An attempt to remedy this state of affairs was made by the Parochial Assessments Act, 1836, but it was not until after the passing of the Union Assessment Committee Act, 1862, and the amending Act

of 1864, that anything like uniformity in the separate districts was secured. These two last-mentioned Acts, together with the Valuation (Metropolis) Act, 1869, form the basis of present-day rating.

Rates being an almost inevitable accompaniment to local administration, it is a matter of great importance that the liability for their payment should be equitably distributed, so that no individual should be called upon to contribute more than his fair share. A means towards the attainment of this object is provided by the valuation list, upon which is based the greater part of local taxation, viz., the poor rate, the general district rate of an urban sanitary authority, the general expenses rate of a rural district, and the borough rate of a municipal corporation, as well as rates under various special and adoptive Acts. In the metropolis, inland Revenue taxes (Property Tax and Inhabited House Duty) are also based upon the values contained in this list.

The duty of preparing the valuation list falls upon the overseers, who in rural parishes are appointed by the parish council or parish meeting, and in urban parishes by the justices, except in those cases where the Local Government Board has made an Order under the Local Government Act, 1894, transferring the power of appointment to the borough council or the urban district council. In London, however, the councils of the respective boroughs are the overseers, the London Government Act, 1899, having appointed them to act in this capacity.

The Metropolis (Valuation) Act, 1869, required a new valuation of rateable property in London to be made every five years, but in the rest of England, where the Union Assessment Committee Acts apply, a valuation list remains in force until a new one is ordered. Supplemental lists are made every year, containing the valuation of new property or of property previously on the list which through any reason has increased or decreased in value.

After the valuation list has been made up by the overseers, it is deposited for the inspection of ratepayers, of which due notice has to be given. Should a person feel himself aggrieved by the valuation of his property or that of any other ratepayer, he may give notice of objection to the assessment committee, the overseers and the person to whose assessment he objects, within twenty-eight days after public notice of the deposit of the list. The list is revised by the assessment committee and re-deposited for inspection. A day is appointed for hearing objections, and finally the list is approved. Any ratepayer still dissatisfied with his assessment may now appeal to special or quarter sessions against the poor rate based upon the valuation. Further appeal may be made from the quarter sessions to the High Court. In the event of an assessment being reduced, not only the poor rate but other rates on the same property which are based upon the valuation list, must be proportionately diminished.

The valuation list contains a description of the property to be assessed, together with the gross rental value, the rateable value of agricultural land, and the rateable value of buildings and other hereditaments not being agricultural land. "Gross estimated rental" is defined by the Union Assessment Committee Act, 1862, as the rent at which the hereditament might reasonably be expected to

let from year to year, free of all usual tenant rates and taxes, and tithe commutation rent-charge. The rateable value is obtained by deducting from the gross value the average annual cost of repairs, insurance, and other expenses necessary to maintain the property in a state to command the rent. The rateable value of agricultural land is separately stated for the purposes of the Agricultural Rates Act, 1896, which, although originally limited to five years, has from time to time been continued by the Expiring Laws Continuance Acts. Under this Act the occupier of agricultural land is exempted from the payment of one-half of the rate in the pound payable in respect of buildings and other hereditaments, except in those cases where the occupier of agricultural land is liable, as compared with the occupier of buildings or other hereditaments, to be assessed to or to pay in the proportion of one-half or less than one-half, or where the occupier is assessed under any commission of sewers or in respect of any drainage, wall, embankment, or other work for the benefit of the land. Thus, for example, the provisions of this Act are not applicable to the general district rate made under the Public Health Act, 1875, for the purposes of which agricultural land is assessed at one-fourth of the net annual value. Agricultural land is defined as "any land used as arable, meadow, or pasture ground only, cottage gardens exceeding one-quarter of an acre, market gardens, nursery grounds, orchards or allotments, but does not include land occupied together with a house as a park, gardens, other than as aforesaid, pleasure grounds, or any land kept or preserved mainly or exclusively for purposes of sport or recreation, or land used as a racetrack." The expression "cottage" means a house occupied as a dwelling by a person of the labouring classes.

With the object of securing greater uniformity in the valuation of property in the metropolis, it is the custom of the London County Council to convene a conference of rating authorities just before each quinquennial valuation. Matters of assessment, procedure, and practice in connection with the valuation of property are discussed, together with matters in the existing valuation laws which need amendment. The authorities taking part are not pledged to act upon the various resolutions which are passed, but there is no doubt that the guiding principles laid down are to a large extent followed.

For the purpose of obtaining the figures upon which the rates are based, property of all kinds, held upon all sorts of conditions of tenancy has to be brought to a common basis, namely, the rateable value. Owing to the complicated circumstances which have to be taken into consideration, it is not easy in all cases to do this. First of all, the gross value (representing the amount a hypothetical tenant might reasonably be expected to pay as a yearly rent) has to be determined, and from this the rateable value is arrived at by a deduction being made for the landlord's expenses. The amount of such deduction is not fixed, except in the case of the metropolis, where the scale of deductions contained in the Third Schedule to the Valuation (Metropolis) Act is followed. Broadly speaking, however, the amount taken off is one-fifth.

The following examples will serve to give a general idea of the methods adopted in valuation. It should be mentioned, however, that in ordinary cases where there are many houses together of exactly

the same description, it is usual to assess them at a uniform value, although the rents may vary.

Weekly or Monthly Properties. From the sum receivable each year as rent is deducted the estimated amount paid for rates and inhabited house duty (these usually being paid by the landlord), together with an allowance for extra cost of management; the amount remaining represents the gross value.

Yearly Tenancies. In these cases, rates and taxes are usually paid by the tenant, so that, generally speaking, the amount of rent payable to the landlord is equivalent to the gross value.

Houses Let on Repairing Leases. It is usual to add a percentage to the amount of rent paid, in order to arrive at the gross value. In cases where premiums are paid, the annual proportion of the premium, together with a percentage for repairs, is added to the amount of the rent.

Flats. The amount paid by the tenant generally includes the cost of various services, *i.e.*, porters, lift, staircase lighting and carpeting, telephone, etc. It is, therefore, the practice to make deductions from the gross rental in order to obtain the approximate gross value. In London such deductions vary from 25 to 45 per cent., according to the extent of the services shared by the tenant.

Licensed Premises. It is a matter of some difficulty to determine the annual value of a public house, the monopoly value represented by the licence, together with the other usual factors, having to be taken into consideration in order to arrive at the sum which a tenant might reasonably be expected to pay as rent from year to year. In some instances the overseers base their valuation upon the gross takings. No difference is made between the valuation of a "tied" house and that of a "free" house.

Theatres and Music Halls. It is frequently the custom to assess these buildings on the basis of the net earnings, if evidence of the rental value is not obtainable. Should the premises be licensed for the sale of intoxicating liquors, the value is enhanced accordingly.

Advertisement Stations. Section 3 of the Advertising Stations Rating Act, 1889, provides that the person who shall permit the erection of any structure, etc., for the exhibition of advertisements shall be rateable in respect thereof, or, if he cannot be ascertained, then the owner. In some cases the assessment of an advertising hoarding is independent of that of the building to which it is attached, but in others its value is included with that of the hereditament. The valuation is based upon the rent paid.

Machinery, etc. The presence of permanent machinery and plant on any premises for the purposes of the business there carried on is considered to enhance their value, and is, therefore, taken into account by the overseers when they make their valuation.

Railways, Tramways, etc. In determining the annual value of a portion of a line passing through a parish, the estimated gross receipts of the same are taken into consideration and various deductions are made for working and other expenses, leaving a figure representing the rateable value. Railway stations are separately assessed.

Public Property. Most public buildings, such as offices of local authorities, public libraries, schools, workhouses, baths, wash-houses, public conveniences, hospitals, etc., are subject to assessment, the

valuation being generally based upon a percentage of the capital value of the land and buildings. In many districts, however, libraries and public conveniences are not rated, while hospitals are assessed at a merely nominal figure.

Government Property. All Crown property is exempt from assessment, but in actual practice it is the custom of the Government to make contributions to the local authorities in lieu of rates, the amounts thus paid being calculated on a rateable value fixed by the Government valuer.

Exempt Property. In addition to Government property, there are a few other instances in which the privilege of exemption from rating is enjoyed. Chief among these may be mentioned churches, chapels, or any buildings used solely as places of meeting for religious worship; literary and scientific societies, provided they comply with certain conditions; Sunday and ragged schools (at the discretion of the local authority); and public elementary schools not provided by the education authority.

Rates are not generally leviable in respect of unoccupied premises, provided there is no beneficial occupation, that is to say, the premises must be quite empty and not used for the storage of furniture. Also a house in which a caretaker is placed solely for the sake of protection does not become liable to be rated, unless it be proved that there is a rateable occupancy. The tenant of a house, etc., which is only occupied during a season of the year, as, for instance, a boarding-house at the seaside, is not relieved from the payment of any portion of the rates, he being still the legal occupant.

In the City of London owners of empty properties are chargeable with one-half of all rates except the poor rate.

If a tenant vacates a house during the currency of a rate, he is only liable for the proportion due up to the time of his leaving. The liability of an incoming tenant for the payment of rates commences immediately he enters upon his occupancy of the premises.

Rating of Owners. Hitherto the occupier has been referred to as the person responsible for the payment of rates. In certain cases, however, this duty may fall upon the owner. Under Section 3 of the Poor Rate Assessment and Collection Act, 1869, rating authorities are enabled to enter into agreements with the owners of hereditaments whereby the latter undertake to pay rates on their property, whether it is occupied or not, in consideration of which they receive a commission not to exceed 25 per cent. This provision applies to property not exceeding £20 rateable value if situate in the metropolis, £13 if situate in Liverpool, £10 if situate in Manchester or Birmingham, or £8 if situate elsewhere. The authority is also empowered by Section 4 of the same Act to order that the owners of property of the foregoing rateable values shall be rated instead of the occupiers, and to allow them a deduction of 15 per cent. off the amount of the rate. If an owner undertakes to pay the rates, whether the property is occupied or not, a further deduction, not exceeding 15 per cent., may be made.

The object of this system of compounding for rates is to diminish the cost of collection and to guarantee the authority against losses on "empties." On the other hand, the abatement compensates the owner for any extra trouble he may be put to and for the risk he may run of having to pay rates on empty houses. There is no hard and fast rule as to

the percentage deducted, thus depending largely upon the letting value of the houses. In the metropolis, the abatement allowed under Section 3 varies from 5 to 25 per cent., and the total abatement under Section 4 from 16 to 25 per cent.

Power to rate owners instead of occupiers is also granted by the Public Health Act, 1875, in regard to the general district rate. It is limited to cases where the rateable value of the premises is not more than £10, or where the premises are let to weekly or monthly tenants, or where the premises are let in separate apartments, or where the rents become payable or are collected at any shorter period than quarterly. An owner is to be assessed by the urban authority at a sum not less than two-thirds, nor more than four-fifths of the net annual value, unless he undertakes to pay the rates whether the tenements are occupied or not, in which case the assessment may be reduced to one-half.

An owner of any tithes or of any tithe commutation rent-charge is under this Act to be assessed at one-fourth part only of the net annual value of the same.

As previously stated, the earliest rate to be raised was one towards the relief of the poor. The machinery provided for the levying of this rate proved such a convenient means of raising money for local requirements that the rate has been made use of for the collection of sums needed for objects quite distinct from the administration of the poor laws. This practice has in course of time grown to such an extent that at the present day by far the greater portion of the money raised under the name of the poor rate is devoted to other purposes. For the various rates raised as part of the poor rate, precepts are made upon the overseers, who are required to collect the amounts from the various parishes on the basis of the rateable value. The principal rates thus included with the poor rate are as follows—

County Rate. This rate is made by county councils pursuant to the Local Government Act, 1888, and precepts for the sums required are issued to the guardians of the various unions within the county, showing the amount to be collected from each parish. The guardians then issue precepts to the overseers of the parishes comprised in the union. The contributions required from the various parishes are fixed according to what is known as the county rate basis, the preparation of which is entrusted to a committee appointed by the council. The basis consists of the "full and fair annual value" of all rateable property in the county.

When required, the overseers must supply returns of the annual value of property in their respective parishes. The council also have the power to cause a new valuation to be made. Appeal against the basis may be made to quarter sessions by the overseers, if they consider that their parish suffers by over-valuation.

In London the valuation basis is founded on the valuation list prepared in accordance with the Valuation (Metropolis) Act, 1869, and the London County Council issues its precepts according to the assessable values of the different boroughs.

Expenses incurred in connection with the following items are among those met out of the county rate, viz., main roads and bridges, asylums, reformatory and industrial schools, education, weights and measures supervision, police and sessions courts, execution of Contagious Diseases (Animals) Acts, etc.

Borough Rate. The borough rate is levied by

municipal corporations under the Municipal Corporations Acts, and the council assess the contributions in proportion to the total annual value of the hereditaments in each parish. That value is based upon the valuation list for the time being in force, but if for any reason the council think that the valuation list is not a fair criterion of value, they may cause an independent valuation to be made. Precepts are issued by the council to the overseers of the parishes within the borough. If the overseers of any parish think that their parish is aggrieved by a borough rate on account of the proportions assessed as the contributions of the several parishes being unequal, or on account of any other just cause of complaint, they may appeal to quarter sessions.

The purposes to which this rate may be applied include: Police, education and the general expenses of the borough, except those relating to the administration of the Public Health Acts, which are payable out of the general district rate.

General Expenses Rate. A rural district council is empowered by the Public Health Act, 1875, to make a general expenses rate to include the expenses of the establishment and offices of the rural authority, the expenses in relation to disinfection, the providing conveyance for infected persons, and all other expenses not determined by the Act or by order of the Ministry of Health to be special expenses. General expenses are payable out of a common fund to be raised out of the poor rate of the parishes within the district, according to the rateable value of each contributory place. Precepts are issued by the rural district council to the overseers of each contributory place.

Special Expenses Rate. This is also authorised by the Public Health Act, and consists of "the expenses of the construction, maintenance, and cleansing of sewers in any contributory place within a rural district, the providing of a supply of water to any such place, and maintaining any necessary works for that purpose, and if so far as the expenses of such supply and works are not defrayed out of water rates or rents under this Act, the charges and expenses arising out of or incidental to the possession of property transferred to the rural authority in trust for any contributory place, and all other expenses incurred or payable by the rural authority in or in respect of any contributory place within the district, and determined by order of the Local Government Board (now the Ministry of Health) to be special expenses."

"Where the rural authority make any sewers or provide any water supply, or execute any other work for the common benefit of any two or more contributory places within their district, they may apportion the expense in such proportion as they think just between such contributory places." Sect. 229 of the Act.

The overseers of any contributory place may make complaint if they feel aggrieved by any such apportionment, and the Ministry may make such order in the matter as to it may seem equitable. Precepts for the amounts required to be raised are served upon the overseers, as in the case of the general expenses rate.

Apart from the rates collected with the poor rate, there are two which require special mention, viz., the general district rate and the general rate.

General District Rate. This important rate was created by the Public Health Act, 1875, for the

purpose of defraying expenses incurred by urban authorities (*i.e.*, municipal corporations and urban district councils) in the execution of that Act. The basis is the full net annual value of rateable property as ascertained by the valuation list for the time being in force, but reduced assessments are made in certain cases where the owners are rated instead of the occupiers, and also in respect of land, railway lines, canals, etc. The items chargeable to this rate cover a wide range, and include very nearly every branch of administration with which an urban district council is entrusted.

General Rate. The passing of the London Government Act, 1899, brought about a great change in the levying of rates in London. In each of the metropolitan boroughs there is now one general rate, which, apart from the water rate and the Inland Revenue taxes, includes practically the whole of the rates leviable on assessable property. Precepts are made upon the several borough councils by the Boards of Guardians, the London County Council, the Metropolitan Police, and the Central (Unemployed) Body for the sums required to meet their expenses, and the whole of these charges, together with the borough council's own expenses, are included in the general rate. The general rate is calculated on the valuation list prepared by the borough councils (acting as overseers) in accordance with the provisions of the Valuation (Metropolis) Act, 1869.

The manner of levying rates in the City of London was not affected by the London Government Act, but since April 1st, 1908, when the City of London (Union of Parishes) Act, 1907, came into operation, a general rate has been levied by the common council to meet expenses previously borne by the consolidated rate, sewer rate, police rate, ward rate, and trophy tax. The general rate also includes the rate for the Central (Unemployed) Body, but the demands of the other central authorities are included with the poor rate.

Other Rates. In addition to the rates above described, there are many others of a special nature, in some instances separately levied, and in others included with another rate. Among these the following may be named: Rates levied under the Education Acts, the Lighting and Watching Act, the Baths and Wash-houses Acts, the Burial Acts, the Public Libraries Acts, and Public Improvement Acts. Numerous other rates are also raised for special purposes under the authority of local Acts of Parliament.

Equalisation of Rates. For the purpose of aiding the equalisation of the rates of London, the London (Equalisation of Rates) Act, 1894, provided for the establishment of an equalisation fund by the London County Council. Every half-year a rate equal to 3d. in the £ on the rateable value, as contained in the valuation list, is charged to each parish, and a re-distribution is made according to population. Should the amount due from a borough on the basis of rateable value exceed the grant based upon the population, the difference has to be paid to the London County Council, while if the grant exceeds the contribution, the difference is paid by that body to the borough council.

Rate Demand. The valuation list having been made and the rate fixed and allowed, nothing remains but to collect the amounts due. A demand note is served by the overseers, or collector, as the case may be, upon the person responsible for payment, specifying the rateable value of the property

(that of agricultural land being separately shown), the rate in the £, and the total amount due. It is then the duty of the ratepayer to make payment. In the event of non-payment, the ratepayer is summoned to appear before the justices, who may issue a distress warrant.

The Poor Relief Act, 1812, empowers two or more justices, with the consent of the overseers, to excuse poor persons from the payment of poor rates. An urban authority may also remit or reduce the payment of the general district rate on the ground of poverty of the person liable.

Under the Preferential Payments in Bankruptcy Act, 1888, prior payment must be made in the case of

"All parochial or other local rates due from the bankrupt or the company at the date of the receiving order, or, as the case may be, the commencement of the winding up, and having become due and payable within twelve months next before that time, and not exceeding in the whole one year's assessment."

Grants in Aid of Local Taxation. To meet the deficiency in local rates owing to the reduced assessments of agricultural land, grants are made to the various local authorities by the Government.

An Order in Council made under the Finance Act, 1908, transferred the power to the county councils and county boroughs to levy duties on the following local taxation licences, viz.: Licences to deal in game, licences to kill game, gun licences, dog licences, and certain "establishment" licences, i.e., licences for armorial bearings, male servants, and carriages (including hackney carriages and light locomotives).

RATIFICATION.—In cases of agency, the agent can only bind his principal, *prima facie*, when he acts strictly within the scope of his authority. Very often, however, an agent acts in excess of his powers. It then becomes a matter of importance, as far as liability is concerned, to see whether the principal has taken any advantage by the transaction, or has done anything by which he has, tacitly or otherwise, acquiesced in the action of his agent. If he has done so, there is what is called a ratification by the principal, and the principal is himself liable as having adopted the act of his agent. (See AGENCY.)

RATTANS.—The long, reed-like stems of various species of palm growing in the East Indies and in other parts of Asia, where they are used for a variety of purposes, mats, hats, chairs, baskets, and ropes being among the articles made from them. Rattan canes are obtained principally from the *Calamus rotang*, and are imported into Europe for use as window screens, walking sticks, etc.

RAW MATERIALS.—This is the term used to describe materials which are employed in the production of the commodities of any particular trade, upon which no labour has been expended and which are in their rough state. It cannot be said that a definition of this kind is satisfactory, since it is obvious that the manufactured goods of one trade may easily be the raw materials of another trade. It is the difficulty of arriving at a true understanding as to this that has made it all but impossible for the advocates of a tariff on foreign manufactured goods to draw a distinction between manufactures and raw materials, as it is a part of their economic doctrine that the latter should be admitted into the country free.

RAW MATERIALS, SUPPLIES OF.—The great characteristic of our life as a nation is that we import raw materials, turn them into manufactured articles, export these, and live upon the added values we have given—the added value of cambric over cotton even at 2s. 6d. a lb., of steel machinery over the crude iron ore, and so on. The broad statement does not, indeed, cover the whole business life of the nation. We send out some raw materials, fuel for example, before the war we actually sent abroad the ore from which tungsten is made—and to Germany. And we import manufactured goods to a growing amount. On the whole, however, the life of the country depends upon a steady and copious stream of raw materials into our ports. In only one of our great textile industries, the woollen, do we use much home produced material, and the home supply for this is quite inadequate. Employment, and with it the increased production so urgently needed, depends upon the supplies available of raw materials—cotton, ores, wool, leather, timber, especially. The dependence will be emphasised during the decade following the war. For there is no need to fret about markets for all we can make, the whole world—India and the East, tropical Africa, South America, and Central Europe—is eagerly clamouring for our goods, and willing to pay almost any price to get them. The need for woollens and cottons especially is desperate. Nor is there shortage of labour, about a million men and women released from munition work and between three and four millions of fighting men released from the Forces want employment. Will the supply of our raw materials be sufficient to provide it? Happily, some dismal forebodings will not be realised: the supply is not likely to be seriously deficient.

The problem of shipping and transport obviously enters into the question. It appals one even now, to read our losses—roughly four tons out of ten—during the war, and shipping shortage must be reckoned with for years. It will be a question for the Shipping Controller whether the ships shall bring cotton from the States or Egypt, iron ore from Spain, timber from Finland and Scandinavia, or wool from Australia, and he will most likely decide by considering which material has most effect upon employment. The building trade, for example, which practically ceased during the war and on which other trades, like furnishing and sanitary engineering, are dependent, is based largely upon timber. Our pre-war rate of expenditure was about 100,000 standards a month, and if the housing programme is to be hurried up, we shall need much more now. Russia, so far our largest source of supply, is at the time of writing (1920) not available, but in Sweden and Finland are about 2,000,000 standards, and about 600,000 are sawn and ready for shipment in Canada, Mexico, and Norway. But timber is bulky, the ships may be diverted to such a material as rubber, upon which an increasing demand is made and which takes up little tonnage, and the shortage in timber will probably be met by felling at home. And ample supplies of rubber are available throughout the tropical belt of forest land. The plantations made in the rubber boom in the first decade of the century steadily came into bearing during the war, and rubber was one of the few commodities that kept anything like stable in price. Price will, however, now that the Central Powers can replenish their exhausted stocks, inevitably rise. The same applies

to imported *iron ore*, upon which our very important metal trades—employing more than twice the number engaged in the cotton industry—are dependent. We have learnt to make more use of our inferior native ores, but, before the war, we had to bring in our ships about seven million tons a year. Of this nearly five millions came from Spain, and the rest mainly from the Mediterranean seaboard. Import was continued to some extent for munitions, and the Shipping Controller has made possible as large an import as before the war. But France and Italy have been starved for materials, German demand has revived, and Spanish ore is pretty certain to rise considerably.

Our great *cotton* industry, dependent entirely upon imported material, deserves special note. It furnishes a third of our exports (in value), and its flourishing or stagnation affects, therefore, our financial standing as a nation. And other employments, machine-making and chemicals, for instance, are subsidiary to it. At the outbreak of war there were working in the United Kingdom two-fifths of the world's spindles, and about three-quarters of a million workers were employed, at the end of 1918 these numbers were halved. Supplies had been deplorably short. The great bulk came from the U.S.A., nearly 90 per cent., but in the United States cotton-land was made to produce corn for which the need was more urgent. The same applied to Egypt whence much of the remainder came. Indian, Brazilian, West African, and Peruvian supplies were small, and shipping difficulties intervened. Our cotton operatives and our cotton machinery are on short time, and this is likely to continue for some years. Supplies cannot be rapidly increased, and the demand in reviving France, Italy, and Germany is intense.

The *leather* industry depends upon hides from America, of calf skins from the Continent, and of goat skins from India and South America. Fewer skins will certainly be available from Central Europe for a long time, but otherwise supply of the raw material appears to rest upon shipping. Paper-making, using *wood-pulp* and *Isatis* grass, is obliged at present to be content with a sixth of the amount previously imported. Here again the sorely harassed trade will obtain relief as more tonnage is obtainable.

Modifying circumstances will doubtless come slowly into play. There will be exploitation of new sources and possibly diversion to competing countries. Japan, for instance, has during the war greatly strengthened its position in the world's markets. But till 1930, when shipping will have had time to recuperate, the position will be substantially as described.

RE.—Latin, "relating to". This simple word is often used, though the better and more correct expression is "*in re*" (*qv*).

REAL ESTATE.—(See **REALTY**.)

REALGAR.—A mineral consisting of arsenic and sulphur in the proportion of 70 to 30 respectively. It occurs native in Hungary, but is generally prepared artificially. Owing to its brilliant red colouring, it is also known as Ruby Sulphur. It is sometimes used as a pigment, but is not to be recommended, as the fume is fugitive.

REALISATION ACCOUNT.—The opening of a realisation account takes place when the business of a person or firm is sold. In the case of limited companies in liquidation, whose business assets are sold to an outside person or company, the use

of a realisation account by the liquidator will enable him to show such involved transactions with clearness in the books of the company. In such a case the various assets will be transferred to the debit of the account, to which will be credited the proceeds of sale from the cash book. Any costs of realisation, such as auctioneer's expenses, etc., will be posted from the cash book to the debit of the realisation account. The resulting balance on the account will be (a) if a credit, a profit on realisation; or (b) if a debit, a loss on realisation. In the case of a partnership firm, when a dissolution of partnership occurs the assets will either be sold to outsiders or to one or more of the partners who intend to continue the business. In the latter case, it is not the custom to open a realisation account, the practice being to debit the continuing partner or partners with the assets taken over at the values fixed, crediting those amounts to the individual asset accounts. The balances on the latter, representing excess of book value over value fixed for dissolution purposes, or *vice versa*, will be transferred to a special profit and loss account, from which the net difference will be charged or credited to the partners' capital accounts in the proportions in which profits are shared. When the partnership assets are purchased by third parties, either by public auction or privately, the values of the assets appearing in the books are transferred to the realisation account, the gross proceeds of the auction or the individual sums received being credited thereto. The costs of the sale then being debited, the balance of realisation account should be transferred to the profit and loss account, from which again the net profit or loss must be transferred to the partners' capital accounts in the proportions in which profits are shared.

In all cases it is to be noted that the ordinary profit and loss account and balance sheet should be prepared and the nominal accounts closed before the transfers are made to the realisation account.

An example, as shown in the books of a partnership firm, is given on the next page.

REALISATION OF PROPERTY.—In order to enable a trustee in bankruptcy to collect the estate, the court may grant a warrant for the seizure of any property of the bankrupt which is in his possession, or in the possession of any other person. The court may also grant a warrant to any constable or officer of the court to search any house or building. If a clergyman becomes bankrupt, the profits of his benefice may be sequestrated by the trustee, but such stipend must be paid to the bankrupt as the bishop shall think proper—not exceeding, however, the stipend which might be appointed by the bishop to a curate duly licensed to serve the benefice if the bankrupt was non-resident (See **PROPERTY DIVISIBLE AMONGST CREDITORS**).

The income, pay, salary, or pension of a bankrupt may, generally speaking, be devoted in whole or in part to the payment of his creditors. If he is in the Government service, however, the court can only direct a portion of that pay to be handed to the trustee with the consent of, and to the extent agreed by, the chief officer of the particular Government department where the bankrupt is employed. Where, however, the bankrupt has a pension from the Crown, or is in receipt of any salary or income in any employment, the court has unfettered discretion as to the allocation of all or part of that

Dr		REALISATION ACCOUNT.		Cr	
19		19..			
Jan 1	To Transfers from	Feb 15	By Cash, proceeds of Sale		
	Land and Buildings A/c		of Land and Building	2,500	0 0
	Plant and Machinery ..		" 17 " Cash, proceeds of Sale		
	1,842 0 0		by auction	6,384	0 0
	Furniture & Fittings ..		" " " Loss on realisation,		
	290 0 0		transferred to Profit		
	Stock of Goods A/c ..		and Loss A/c	1,556	0 0
	3,153 0 0				
	Sundry Debtors				
	3,153 0 0				
	<u>£10,440 0 0</u>			<u>£10,440 0 0</u>	
PROFIT AND LOSS ACCOUNT					
19		19..			
Feb 17	To Transfer from Realisa-	Feb. 17	By A, Capital A/c $\frac{1}{2}$ loss	778	0 0
	tion A/c		" " " B, " " $\frac{1}{2}$ "	389	0 0
	(Loss on realisation)		" " " C, " " $\frac{1}{2}$ "	389	0 0
	1,556 0 0				
	<u>£1,556 0 0</u>			<u>£1,556 0 0</u>	

salary or income to the trustee for the benefit of the creditors. The words "pay or salary" do not extend to a mere voluntary allowance nor to pay received for past services. The following salaries, etc., may be attached: The pension of a retired judge of a Crown colony, the retired pay of an officer who remains in the army reserve, the pay of a commercial traveller engaged at £100 a year, payable weekly, the salary of an actor, or the income of a surgeon-dentist carrying on business in partnership. Personal earnings which are reasonably necessary for the maintenance of the bankrupt and his family do not, however, pass to the trustee. Neither the prospective earnings of a professional man nor the wages of a collier can be attached. If an order is made attaching the salary of a debtor it is put an end to by an order of discharge, unless expressly excepted.

REALTY.—This word is derived from the Latin *res*, a thing.

All property is divided into two classes, real and personal, the general term for the former being realty and for the latter personalty. Another division is into immovable and movable, but these two species of division do not overlap, and it must always be recollected that the distinction is traceable entirely to the history of property, and to the particular remedies which were available to a wronged party for the recovery of that which he had lost.

Realty includes freehold (whether in fee simple, in fee tail, or for life), and copyhold and customary freehold land, but not leasehold land (leasehold is included under personalty). Where real property is to be sold, according to the terms of a will, it is reckoned as personalty. An "equity of redemption" is part of the real estate.

If Brown leaves his "real" property to Jones, Jones is called the devisee, and the property is said to be devised. If he leaves "personal" property Jones is called the legatee and the property is said to be bequeathed.

REAM.—A bundle or a package of paper. A ream of writing-paper consists of twenty quires, each quire containing twenty-four sheets. A ream of printing paper (generally known as a printer's ream) contains twenty-one and a half quires, or five hundred and sixteen sheets.

RÉAUMUR. The name of a French physicist, who invented one of the three kinds of thermometers, the other two being the Centigrade (*qv*) and the Fahrenheit (*qv*). In the Réaumur system the freezing point is at 0° and the boiling point at 80°. This thermometer is much less in use than the other two above mentioned.

REBATE.—This word means, literally, a drawing back. At the end of a half-year a banker calculates the amount of rebate on bills discounted—that is, he takes into his profit and loss account only the amount of discount up to the end of the half-year, the discount from that date till the maturity of the bills (the rebate amount), being carried forward into the accounts for the next half. The rebate is one of the items which pass through the adjustment of interest account (*qv*).

The word is also used with reference to an amount of interest credited to an account to refund a sum previously charged.

If a documentary bill is paid before maturity it is said to be paid under rebate, an allowance of $\frac{1}{4}$ per cent. above the deposit rate of the principal London banks being made. (See DOCUMENTARY BILL.)

As to the rebate to be deducted when a creditor proves upon a bankrupt's estates for a debt payable at a future time, see PROOF OF DEBTS.

REBATES, RAILWAY.—(See RAILWAY, CONSIGNMENT OF GOODS BY.)

REBUTTER.—(See PLEADINGS.)

RECEIPT.—This is a legal written acknowledgment of the payment of a sum of money. If the sum paid is £2 or more, a twopenny stamp (or two penny ones) must be affixed and cancelled, otherwise the receipt is of no legal effect. The stamp is now the ordinary postage stamp, the special inland revenue stamp having been discontinued for many years.

The Stamp Act, 1891, provides—

"101—(1) For the purposes of this Act the expression 'receipt' includes any note, memorandum, or writing whereby any money amounting to two pounds or upwards, or any bill of exchange or promissory note for money amounting to two pounds or upwards, is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand, or any part of a

debt or demand, of the amount of two pounds or upwards, is acknowledged to have been settled, satisfied, or discharged, or which signifies or imports any such acknowledgment, and whether the same is or is not signed with the name of any person

"(2) The duty upon a receipt may be denoted by an adhesive stamp, which is to be cancelled by the person by whom the receipt is given before he delivers it out of his hands

"102. A receipt given without being stamped may be stamped with an impressed stamp upon the terms following, that is to say

"(1) Within fourteen days after it has been given, on payment of the duty and a penalty of five pounds,

"(2) After fourteen days, but within one month, after it has been given, on payment of the duty and a penalty of ten pounds, and shall not in any other case be stamped with an impressed stamp

"103 If any person—

"(1) Gives a receipt liable to duty and not duly stamped, or

"(2) In any case where a receipt would be liable to duty refuses to give a receipt duly stamped, or

"(3) Upon a payment to the amount of two pounds or upwards gives a receipt for a sum not amounting to two pounds, or separates or divides the amount paid with intent to evade the duty, he shall incur a fine of ten pounds."

It will be seen, therefore, that the stamp ought really to be on the receipt at the date when the money is paid

Where a form of receipt, either on the face or on the back of a cheque, is signed, it must be stamped. The signature of the payee alone is exempt

If a receipt is placed upon a bill or promissory note (except by a banker), it requires to be stamped

When a deposit receipt is issued, it does not require a stamp, but when it is discharged by the depositor signing a form of receipt on the back, a stamp is required. To save the trouble of affixing an adhesive stamp on payment of a deposit receipt, the receipts of many banks are impressed with a stamp when issued

Where a banker acknowledges the receipt of money from, say, Jones for the credit of Brown, a stamp is required. Where a letter acknowledges a payment and encloses a stamped receipt, it is considered that one stamp is sufficient

Where a debt is paid by cheque, it is not necessary to state on the receipt that payment was made by cheque, as the person taking the cheque can, in the event of the cheque being dishonoured, sue the debtor for the amount

Receipts for wages, and for subscriptions to charities are chargeable with duty, but the Commissioners do not enforce a penalty if "a receipt for a donation or subscription to an institution totally devoted to charitable purposes" is given unstamped (See RECEIPT ON CHEQUE.)

The following are the exemptions granted by the Stamp Act, 1891, as to receipts—

(1) Receipts given for money deposited in any bank, or with any banker, to be accounted for and expressed to be received of the person to whom the same is to be accounted for.

(2) Acknowledgment by any banker of the receipt of any bill of exchange or promissory note

for the purpose of being presented for acceptance or payment.

(3) Receipt given for or upon the payment of any parliamentary taxes or duties, or of money to or for the use of His Majesty.

(4) Receipt given by an officer of a public department of the State for money paid by way of imprest or advance, or in adjustment of an account, where he derives no personal benefit therefrom

(5) Receipt given by any agent for money imprested to him on account of the pay of the army.

(6) Receipt given by any officer, seaman, marine, or soldier, or his representatives, for or on account of any wages, pay, or pension due from the Admiralty or Army Pay Office

(7) Receipt given for any principal money or interest due on an exchange bill

(8) Receipt written upon a bill of exchange or promissory note duly stamped (*Now repealed. See below.*)

(9) Receipt given upon any bill or note of the Bank of England or the Bank of Ireland

(10) Receipt given for the consideration money for the purchase of any share in any of the Government or Parliamentary stocks or funds, or in the stocks and funds of the Secretary of State in Council of India, or of the Bank of England, or of the Bank of Ireland, or for any dividend paid on any share of the said stocks or funds respectively

(11) Receipt indorsed or otherwise written upon or contained in any instrument liable to stamp duty, and duly stamped, acknowledging the receipt of the consideration money thereon expressed, or the receipt of any principal money, interest, or annuity thereby secured or therein mentioned

(12) Receipt given for any allowance by way of draw-back or otherwise upon the exportation of any goods or merchandise from the United Kingdom

(13) Receipt given for the return of any duty or customs upon a certificate of over entry.

Receipts upon a duly stamped letter of allotment or scrip certificate are exempt. The exemption is included in No. 11 (*supra*).

The Finance Act, 1895, Section 9, repealed exemption number 8 in the Stamp Act, 1891, "Receipt written upon a bill of exchange or promissory note duly stamped," and enacted that the duty shall be charged as if the exemption had not been contained in that Act, provided that neither the name of a banker (whether accompanied by words of receipt or not) written in the ordinary course of his business as a banker upon a bill of exchange or promissory note duly stamped, nor the name of the payee written upon a draft or order, if payable to order, shall constitute a receipt chargeable with stamp duty

There are certain other exemptions specially provided for by the Building and Friendly Societies Acts, the Bankruptcy Act, and the Finance Act, 1895, but they need no notice here.

RECEIPT ON CHEQUE.—In order to avoid the trouble of receiving receipts when payment of an account is made by cheque, many companies now make use of cheques with a form of receipt upon the face or upon the back of them, and an intimation is given that this is the only form of receipt which is required by the drawer of the cheque from the payee

A document of this description is sometimes worded—

"Pay _____ or order the sum of _____ when the receipt on the back hereof has been duly stamped, signed and dated."

The printed form on the back may be—

"Received from _____ the amount named on the face hereof"

Date 19 ____ Stamp _____

Below the receipt the following words are sometimes printed—

"The receipt as above is also the indorsement of the cheque and is the only acknowledgment required"

The form of receipt, as above-mentioned, may be on the face of the cheque, and then it is generally placed below the drawer's signature. In addition to the receipt being signed, the cheque may require to be indorsed.

It is clear that a document drawn in this form does not agree with the definition of a cheque as given in the Bills of Exchange Act, 1882, in this respect, that it is not an unconditional order in writing. The order to pay is conditional upon the receipt being duly signed. This is an all-important matter as far as bankers are concerned, especially seeing that so much is done in the way of collecting cheques (*qv*). It is well known that the bankers are largely protected when acting *bona fide* if by chance they deal with cheques which bear forged indorsements. Their exemption from liability is the creation of statute law. But of course it only applies to those documents which are included in the Bills of Exchange Act. It has been considered that protection is nevertheless afforded to them if they collect documents of this kind by reason of Section 17 of the Revenue Act, 1883, which is as follows—

"Sections 76 to 82, both inclusive, of the Bills of Exchange Act, 1882, and Section 25 of the Forgery Act, 1861, shall extend to any document issued by a customer of any banker, and intended to enable any person or body corporate to obtain payment from such banker of the sum mentioned in such document, and shall so extend in like manner as if the said document were a cheque. Provided that nothing in this Act shall be deemed to render any such document a negotiable instrument. For the purpose of this section, Her Majesty's Paymaster-General and the Queen's and Lord Treasurer's Remembrancer in Scotland shall be deemed to be bankers, and the public officers drawing on them shall be deemed customers."

Sections 76-82 are those dealing with crossed cheques (*qv*).

The use of documents of this nature is becoming very common, and as the banker's position with regard to them appears to be so uncertain and unsatisfactory (as was shown in the case of *Bavins v. London and South Western Bank*, 1900, 1 Q B 270) it is necessary, for the banker's protection, that he should obtain, from the customer using this special form, an indemnity to the following effect—

"In consideration of your allowing me, or persons duly authorised by me, to draw drafts on you with

receipts attached in the form annexed, I undertake that you shall have as against me in respect thereof the protection afforded by Section 60 of the Bills of Exchange Act, 1882, and that the signature of the receipt at the foot of such drafts shall have the effect of and operate as an indorsement within the meaning of the same Section."

In addition to the form of document given above, some cheques have a note at the foot to the effect that the receipt on the back must be stamped, signed, and dated. In other cases no reference at all to a receipt appears on the face of the cheque, but on the back may be found a receipt such as—

"Received from _____ the amount named on the face hereof"

Stamp _____

In the cases where there is no condition attached to the order to pay, the cheque is not excluded from the definition given in the Act. A mere note at the foot, or on the back, of a cheque with respect to a receipt, and the presence of a form of receipt on the cheque, so long as the order to pay is unconditional, does not affect the nature of the instrument. When the receipt is signed, the signature is regarded by the banker as the indorsement.

Certain cheques provide for the receipt being signed per procuration. The following is an example—

"Pay John Brown the sum named below if presented within six months from the date hereof duly stamped, signed, and dated"

"Received the sum of _____ as per particulars furnished"

"Note—This receipt should be signed by the payee, but a per procuration discharge will be accepted if guaranteed by the payee's bankers. In the case of a corporate body, the receipt must be signed on their behalf by an authorised officer whose position must be stated."

A receipt on a cheque, whether upon the face or upon the back, requires a twopenny stamp (or two penny ones), if the amount is £2 and over, unless the signer of the receipt is exempted by law.

A receipt by a banker upon a bill or cheque is exempt, provided it is given "in the ordinary course of his business as a banker." (See RECEIPT.)

RECEIPTS AND PAYMENTS ACCOUNTS.—An account of moneys received and paid during a stated period. The account is opened with the balance in hand at the commencement of the period, and ends with that in hand at the end of the period. The items received and paid during the period are shown under appropriate headings, the totals only under each heading being given. For the purpose of arriving at these totals the cash book is best kept in analysis form. These statements are often only presented to show the dealings and final position of a treasurer or secretary for a certain period.

The difference between this account and an income and expenditure account is not generally quite understood, and reference to the latter should be made.

An example of a receipts and payments account is given on the next page.

Receipts and Payments Account.

Dr.	Year ending 19..						Cr.
Receipts				Payments			
	£	s	d.		£	s.	d.
To Cash at Bank and in hand ..	156	0	0	By Rent, Rates, Light, Insee., etc.	515	0	0
„ Entrance Fees ..	24	0	0	„ Salaries ..	250	0	0
„ Subscriptions ..	1,420	0	0	„ Servants' Wages ..	290	0	0
„ Dining Room Receipts ..	80	0	0	„ Printing, Stationery, etc. ..	80	0	0
„ Wines, Spirits, and Cigars sold ..	300	0	0	„ Legal Expenses ..	16	0	0
				„ Repairs to House & Furniture ..	48	0	0
				„ Wines, Spirits, and Cigars ..	214	0	0
				„ Interest on Loans ..	40	0	0
				„ Cash at Bank and in hand ..	527	0	0
	£ 1,980	0	0		£ 1,980	0	0

RECEIVER.—This is the general name applied to a person who is appointed with the object of taking care of or providing for the safety of property under special circumstances. Thus litigation may be threatened as to a certain estate, and it is necessary that, pending the dispute, some one neutral person should be in the position of owner so that other parties may not be interfered with, e.g., the tenants of a large estate. Upon a proper case being shown, the court will order the appointment of a receiver. Again, there may be a reasonable probability that property may be dissipated or destroyed, unless the court steps in and prevents any waste. The proper course is to get a receiver appointed. Other cases are those in which proceedings are being taken by debenture holders against a joint-stock company or where property is mortgaged and the mortgagor is in default in the payment of the mortgage money, or where the property of infants needs safeguarding, or where proceedings are being taken by way of equitable execution (*q.v.*).

In all but the last-mentioned case, and also in the case of a mortgage, when the mortgagee has the right to exercise his power of sale, an application may be made to the court for the appointment of a receiver immediately after the issue of the writ, and the appointment follows almost as a matter of course if it appears just or convenient. In the case of equitable execution (*q.v.*) a receiver is appointed when a creditor has obtained judgment against a debtor, and it appears that the debtor has interests in property which cannot be taken in execution, e.g., a life interest in stocks and shares held by trustees. Such interests can only be reached by the appointment of a person to receive the same and pay the money into court towards the satisfaction of the judgment.

The receiver in every case where he is appointed by the court must give security. This is usually effected by means of a bond with two sureties. The rate of remuneration, unless there are special circumstances connected with the case, is generally fixed at five per cent. The receiver's duties are to take possession of the property and to keep full and proper accounts of all dealings in connection with it so long as he is in possession. A receiver on completing his security and going into possession becomes an officer of the court, and any interference with his possession renders the person interfering liable to imprisonment for contempt of court. No

assertion of right can excuse interference when once the receiver has been put into possession.

A receiver is most frequently met with in connection with joint stock companies. If the affairs of the company are in a perilous state, the debenture holders may desire to assert their rights before complete disaster overtakes the business. Yet it may be advisable that the business should be carried on for a period. In such a case a receiver is appointed who is made manager also, and care must be taken to select a person conversant with and experienced in the particular business. Generally the judge appoints the person nominated by the party making the application for the receiver, who must, however, file an affidavit as to the fitness of the person whom he nominates, unless some good reason can be shown by the opposing party against his fitness. Provision should always be made in the debentures as to the exact position of the receiver, for it will depend upon that whether the receiver is the agent of the company or of the debenture-holders, and thus who is the party to whom he must look for his remuneration.

The appointment of a receiver or manager of the property of a company is to be notified to the registrar of companies. By the Companies (Consolidation) Act, 1908—

“Section 94.—(1) If any person obtains an order for the appointment of a receiver or manager of the property of a company, or appoints such a receiver or manager under any powers contained in any instrument, he shall within seven days from the date of the order or of the appointment under the powers contained in the instrument give notice of the fact to the registrar of companies, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

“(2) If any person makes default in complying with the requirements of this Section he shall be liable to a fine not exceeding five pounds for every day during which the default continues.

“95.—(1) Every receiver or manager of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall, once in every half-year while he remains in possession, and also on ceasing to act as receiver or manager, file with the registrar of companies an abstract in the prescribed form of his receipts and payments during

the period to which the abstract relates, and shall also on ceasing to act as receiver or manager file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

"(2) Every receiver or manager who makes default in complying with the provisions of this section shall be liable to a fine not exceeding fifty pounds.

Power in England to Appoint Special Manager.

"161—(1) Where the official receiver becomes the liquidator of a company, whether provisionally or otherwise, he may, if satisfied that the nature of the estate or business of the company, or the interests of the creditors or contributories generally, require the appointment of a special manager of the estate or business of the company other than himself, apply to the Court to, and the Court may on such application, appoint a special manager thereof to act during such time as the Court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the Court.

"(2) The special manager shall give such security and account in such manner as the Board of Trade direct.

"(3) The special manager shall receive such remuneration as may be fixed by the Court.

Power in England to Appoint Official Receiver as Receiver for Debenture Holders or Creditors.

"162 Where an application is made to the Court to appoint a receiver on behalf of the debenture holders or other creditors of a company which is being wound up by the Court in England, the official receiver may be so appointed."

A receiver appointed by a mortgagee or incumbrancer and not by the court, has only the powers conferred on him by statute or agreement. By the former he has power to receive all the income of the property of which he is appointed receiver, by action, distress, or otherwise, and to give receipts for payments. He is entitled to charge five per cent for his remuneration, unless a lower rate is specified in his appointment. All moneys received must be employed first, in the discharge of rates, taxes, and outgoings, next, in payment of his own commission and of premiums on policies and for repairs, and then, in payment of the interest on the mortgage. If there is any balance it goes to the mortgagee.

These matters are of such extreme importance, that a person who is likely to be appointed as receiver should be made acquainted with his exact statutory position. The appointment, powers, remuneration, and duties of a receiver are thus set out in the Conveyancing and Law of Property Act, 1881—

"Section 24.—(1) A mortgagee entitled to appoint a receiver under the power in that behalf conferred by this Act shall not appoint a receiver until he has become entitled to exercise the power of sale conferred by this Act, but may then, by writing under his hand, appoint such person as he thinks fit to be receiver.

"(2) The receiver shall be deemed to be the agent of the mortgagor; and the mortgagor shall be solely responsible for the receiver's acts or defaults, unless the mortgage deed otherwise provides.

"(3) The receiver shall have power to demand and recover all the income of the property of which he is appointed receiver, by action, distress, or otherwise, in the name either of the mortgagor or of the mortgagee, to the full extent of the estate or interest which the mortgagor could dispose of, and to give effectual receipts, accordingly, for the same.

"(4) A person paying money to the receiver shall not be concerned to inquire whether any case has happened to authorise the receiver to act."

"(5) The receiver may be removed, and a new receiver may be appointed, from time to time, by the mortgagee by writing under his hand.

"(6) The receiver shall be entitled to retain out of any money received by him, for his remuneration, and in satisfaction of all costs, charges, and expenses incurred by him as receiver, a commission at such rate, not exceeding five per centum on the gross amount of all money received, as is specified in his appointment, and if no rate is so specified, then at the rate of five per centum on that gross amount, or at such higher rate as the Court thinks fit to allow, on application made by him for that purpose.

"(7) The receiver shall, if so directed in writing by the mortgagee, insure and keep insured against loss or damage by fire, out of the money received by him, any building, effects, or property comprised in the mortgage, whether situate on the freehold or not, being of an insurable nature.

"(8) The receiver shall apply all money received by him as follows (namely):

"(a) In discharge of all rents, taxes, rates, and outgoings whatever affecting the mortgaged property; and

"(b) In keeping down all annual sums or other payments, and the interest on all principal sums, having priority to the mortgage in right whereof he is receiver; and

"(c) In payment of his commission, and of the premiums on fire, life, or other insurances, if any, properly payable under the mortgage deed or under this Act, and the cost of executing necessary or proper repairs directed in writing by the mortgagee; and

"(d) In payment of the interest accruing due in respect of any principal money due under the mortgage:

and shall pay the residue of the money received by him to the person who, but for the possession of the receiver, would have been entitled to receive the income of the mortgaged property, or who is otherwise entitled to that property" (See MORTGAGE).

The appointment of a receiver by a mortgagee saves the latter from many risks in connection with the mortgaged property to which he would be exposed if he himself went into possession.

RECEIVER, OFFICIAL.—(See OFFICIAL RECEIVER.)

RECEIVER OF STOLEN GOODS.—Any person who receives any chattel, money, or other property whatsoever, the stealing, obtaining, embezzling, or disposing of which is a felony, either at common law or by virtue of the Larceny Act, 1916, knowing the same to have been feloniously stolen, obtained, embezzled, or disposed of, is himself guilty of felony.

The receiving of stolen goods is an extremely common offence, and as it often happens that the actual thief is not able to be taken red-handed,

justice would be frequently defeated unless the offence of receiving was put prominently forward. This is so much so that when a person is charged with theft, there is always a second count added that he received the goods well knowing them to have been stolen. Then, if the theft itself cannot be brought home to the prisoner he may be convicted on the second count.

In all cases of receiving it must be proved, first of all, that the goods, etc., were taken out of the possession of the owner. Then if the stolen goods are found within a short period after the larceny in the possession of a person, that person must show how he became possessed of them. The burden of proof (*q.v.*) is upon him. If he satisfies the court that he came by them honestly, all well and good, but if not, he is guilty of a substantive felony.

When stolen goods are found upon an accused person, a search warrant (*q.v.*) may be obtained, under which the law will authorise the dwelling-place of the accused being searched, in order to discover, if possible, any other property which may have been stolen.

Under certain circumstances, into which it is unnecessary to enter, as it concerns practice and procedure, a prisoner charged with receiving may be dealt with by a court of summary jurisdiction (*q.v.*).

RECEIVING NOTES.—These are the documents which are addressed by a shipper to the chief officer of a ship, requesting him to take on board certain specified goods.

RECEIVING ORDER.—A bankruptcy petition results in what is called a "receiving order" if the prayer of the petition is granted, and the order will be made on the petition either of a creditor or of the debtor himself. The order deprives creditors of their remedies against the debtor. After it is made, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptcy has any remedy against the property or person of the debtor in respect of the debt, nor can he commence any action or other legal proceedings unless with leave of the court, and on such terms as the court may impose. Nevertheless a receiving order does not affect the power of any secured creditor to realise or otherwise deal with his security in the same manner as he would have been entitled to realise or deal with it had this part of the Bankruptcy Act not been passed. Further, it does not operate as a stay of an action already commenced, although it will prevent the plaintiff in such an action obtaining execution on his judgment. Nor does a receiving order enable a debtor to escape imprisonment for non-payment of trust moneys.

• Upon a receiving order being made, the official receiver is constituted receiver of the debtor's property. He may also exercise the powers of an interim receiver if the court so orders, and where there is an adjudication, he is interim receiver until the trustee is appointed. Again, if there is no adjudication, or a vacancy in the office of trustee, the official receiver can exercise the functions of the trustee. The fact that there is an Irish or Scotch bankruptcy in existence does not limit English jurisdiction to make a receiving order.

A receiving order is prepared by the registrar. If made on a creditor's petition, it must describe the nature and date of the alleged act of bankruptcy, while it must also require the debtor to attend before the official receiver at the proper time. It is the duty of the official receiver to cause a copy of the order to be served on the debtor.

The fact of a receiving order having been made is communicated to the Board of Trade by the proper officer, and is then advertised.

If the act of bankruptcy upon which the receiving order is to be founded is failure to comply with the conditions of a bankruptcy notice, the court has no power to make the order if the bankrupt is taking steps to have the notice set aside. If the creditor who is seeking to have the order made is unsuccessful, he must bear the costs; but if an order is made, then the costs are to be taxed, and are payable out of the proceeds of the estate in the manner provided for by the rules.

Where application is made to the court for the committal to prison of a debtor who has made default in payment of any debt, or instalment of any debt due from him in pursuance of any order or judgment, the court may decline to commit, and in lieu thereof, with the consent of the judgment creditor, may make a receiving order against the debtor. In such a case the debtor is deemed to have committed an act of bankruptcy. An order in lieu of committal can only be applied for by a judgment creditor, and it cannot be made without proof of the debtor's means.

An appeal lies against a receiving order. The notice of appeal must be served, and the appeal must be actually set down for hearing within twenty-one days.

The circumstances in which a receiving order may be rescinded or annulled are briefly these: If it appears to the court by which such order was made, upon an application by the official receiver, or any creditor or other persons interested, that a majority of the creditors are resident in Scotland or Ireland, and that, from the situation of the property or other causes, his estate and effects ought to be distributed among the creditors under the Bankrupt Laws of Scotland or Ireland, the court, after such inquiry as to it shall seem fit, may rescind the receiving order and stay all proceedings on, or dismiss the petition upon such terms, if any, as the court may think fit. A receiving order will also be rescinded or annulled where the court sanctions a composition or scheme. (See COMPOSITION OR SCHEME OF ARRANGEMENT.)

Again, the court may rescind the order on the representation of the creditors, but it may decline to rescind if the official receiver opposes because he is not satisfied with the debtor's conduct. Amongst other things, the conduct of the debtor and the causes of his insolvency must be closely considered. An order was rescinded where the debtor's father had paid the creditors 10s. in the £, and they had withdrawn their proofs and released the debtor, but rescission was refused, although the debtor had paid the petitioning creditor's costs and debt, and had obtained his consent to the order being rescinded. It is a matter for the absolute discretion of the court in each particular case. In one case the court rescinded an order where the debtor was uncharged under three previous bankruptcies, in two of which he had himself petitioned with the view of evading committal orders. That was on the ground that the receiving order was an abuse of the process of the court.

The following are the sections of the Bankruptcy Act, 1914, which deal with the bankruptcy petition and the making of a receiving order—

Jurisdiction to make Receiving Order

"3. Subject to the conditions hereinafter specified,

if a debtor commits an act of bankruptcy the Court may, on a bankruptcy petition being presented either by a creditor or by the debtor, make an order, in this Act called a receiving order, for the protection of the estate.

Conditions on which Creditor may Petition.

"4—(1) A creditor shall not be entitled to present a bankruptcy petition against a debtor unless—

"(a) The debt owing by the debtor to the petitioning creditor, or, if two or more creditors join in the petition, the aggregate amount of debts owing to the several petitioning creditors, amounts to fifty pounds, and

"(b) The debt is a liquidated sum, payable either immediately or at some certain future time, and

"(c) The act of bankruptcy on which the petition is grounded has occurred within three months before the presentation of the petition, and

"(d) The debtor is domiciled in England, or, within a year before the date of the presentation of the petition, has ordinarily resided or had a dwelling-house or place of business in England, or (except in the case of a person domiciled in Scotland or Ireland, or a firm or partnership having its principal place of business in Scotland or Ireland) has carried on business in England, personally or by means of an agent or manager, or (except as aforesaid) is or within the same period has been a member of a firm or partnership of persons which has carried on business in England by means of a partner or partners, or an agent or manager.

Nor, where a deed of arrangement has been executed, shall a creditor be entitled to present a bankruptcy petition founded on the execution of the deed, or on any other act committed by the debtor in the course or for the purpose of the proceedings preliminary to the execution of the deed, in cases where he is prohibited from so doing by the law for the time being in force relating to deeds of arrangement.

"(2) If the petitioning creditor is a secured creditor, he must, in his petition, either state that he is willing to give up his security for the benefit of the creditors in the event of the debtor being adjudged bankrupt, or give an estimate of the value of his security. In the latter case, he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him, after deducting the value so estimated in the same manner as if he were an unsecured creditor.

Proceedings and Order on Creditor's Petition.

"5—(1) A creditor's petition shall be verified by affidavit of the creditor, or of some person on his behalf having knowledge of the facts, and served in the prescribed manner.

"(2) At the hearing the Court shall require proof of the debt of the petitioning creditor, of the service of the petition, and of the act of bankruptcy, or, if more than one act of bankruptcy is alleged in the petition, of some one of the alleged acts of bankruptcy, and, if satisfied with the proof, may make a receiving order in pursuance of the petition.

"(3) If the Court is not satisfied with the proof of the petitioning creditor's debt, or of the act of bankruptcy, or of the service of the petition, or is satisfied by the debtor that he is able to pay his debts, or that for other sufficient cause no order

ought to be made, the Court may dismiss the petition.

"(4) When the act of bankruptcy relied on is non-compliance with a bankruptcy notice to pay, secure, or compound for a judgment debt, or sum, ordered to be paid, the Court may, if it thinks fit, stay or dismiss the petition on the ground that an appeal is pending from the judgment or order.

"(5) Where the debtor appears on the petition, and denies that he is indebted to the petitioner, or that he is indebted to such a sum as would justify the petitioner in presenting a petition against him, the Court, on such security (if any) being given as the Court may require for payment to the petitioner of any debt which may be established against him in due course of law, and of the costs of establishing the debt, may, instead of dismissing the petition, stay all proceedings on the petition for such time as may be required for trial of the question relating to the debt.

"(6) When proceedings are stayed, the Court may, if by reason of the delay caused by the stay of proceedings or for any other cause it thinks just, make a receiving order on the petition of some other creditor, and shall thereupon discontinue, on such terms as it thinks just, the petition in which proceedings have been stayed as aforesaid.

"(7) A creditor's petition shall not, after presentment, be withdrawn without the leave of the Court.

Debtor's Petition and Order Thereon.

"6—(1) A debtor's petition shall allege that the debtor is unable to pay his debts, and the presentation thereof shall be deemed an act of bankruptcy without the previous filing by the debtor of any declaration of inability to pay his debts, and the Court shall thereupon make a receiving order.

"(2) A debtor's petition shall not, after presentment, be withdrawn without the leave of the Court.

Effect of Receiving Order.

"7—(1) On the making of a receiving order an official receiver shall be thereby constituted receiver of the property of the debtor, and thereafter, except as directed by this Act, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptcy shall have any remedy against the property or person of the debtor in respect of the debt, or shall commence any action or other legal proceedings unless with the leave of the Court and on such terms as the Court may impose.

"(2) But this section shall not affect the power of any secured creditor to realise or otherwise deal with his security in the same manner as he would have been entitled to realise or deal with it if this Section had not been passed.

Discretionary Powers as to Appointment of Receiver and Stay of Proceedings.

"8—(1) The Court may, if it is shown to be necessary for the protection of the estate, at any time after the presentation of a bankruptcy petition, and before a receiving order is made, appoint the official receiver to be interim receiver of the property of the debtor, or of any part thereof, and direct him to take immediate possession thereof or of any part thereof."

The official receiver may, if necessary, appoint a special manager of a debtor's estate to act until a trustee is appointed. (Section 10)

Every receiving order must be gazetted, and advertised in a local paper. (Section 11)

Debtor's Statement of Affairs.

"14.—(1) Where a receiving order is made against a debtor, he shall make out and submit to the official receiver a statement of and in relation to his affairs in the prescribed form, verified by affidavit, and showing the particulars of the debtor's assets, debts, and liabilities, the names, residences, and occupations of his creditors, the securities held by them respectively, the dates when the securities were respectively given, and such further or other information as may be prescribed or as the official receiver may require.

"(2) The statement shall be so submitted within the following times, namely—

"(i) If the order is made on the petition of the debtor, within three days from the date of the order.

"(ii) If the order is made on the petition of a creditor, within seven days from the date of the order."

But the court may, in either case, for special reasons, extend the time.

"(4) If the debtor fails without reasonable excuse to comply with the requirements of this section, the Court may, on the application of the official receiver, or of any creditor, adjudge him bankrupt.

"(5) Any person stating himself in writing to be a creditor of the bankrupt may, personally or by agent, inspect this statement at all reasonable times, and take any copy thereof or extract therefrom, but any person untruthfully so stating himself to be a creditor shall be guilty of a contempt of Court, and shall be punishable accordingly on the application of the trustee or official receiver." (See **BANKRUPTCY**.)

RECIPROCITY.—This is a term which has been much used in the controversies which have arisen in modern times in connection with the tariff wars between nations. It signifies a species of arrangement between countries by which an agreement is arrived at that each will admit the goods of the other upon special terms, although a high tariff may more or less exclude the goods of other countries. Although, as stated above, the question of reciprocity has come much into vogue in recent times, the principle was put forward in a prominent manner in the early part of the nineteenth century, especially in relation to shipping, at the time when Mr. Huskisson, who was a most strenuous advocate of the theory, was President of the Board of Trade. He was strongly of opinion that the one way of fighting hostile foreign tariffs was by the imposition of retaliatory tariffs. It has been maintained that, by the adoption of Free Trade (*q.v.*), Great Britain has placed herself in such a position that she can no longer bargain on the lines of reciprocity. This assumption led to the rise of the Fair Traders, people who were opposed to "one-sided free trade," and who have advocated retaliatory measures in order to bring about Free Trade in reality. There is no doubt that when Free Trade was adopted by Great Britain it was expected that other nations would follow suit, and that she would be granted reciprocity in this way. As a matter of history this has not taken place. The majority of those who have favoured reciprocity and fair trade have now placed themselves under the banner of Tariff Reform (*q.v.*).

RECOGNISANCE.—This is a legal term signifying an acknowledgment of a debt which is due to the Crown. When a case comes before a court of summary jurisdiction (*q.v.*), in the shape of a preliminary trial, the witnesses who give their evidence, and whose evidence is taken down in writing—the whole of the evidence forming what are called the depositions—are bound over in their own recognisances to appear and to give evidence at the assizes or the quarter sessions to which the prisoner is committed for trial. Again, if a man goes bail for another, he is bound over in recognisances to produce the body of the prisoner in due course for trial. A prisoner is frequently bound over in his own recognisances, either to appear at some future time to take his trial or to keep the peace. All these constitute debts due to the Crown, and they become due immediately if the conditions are not strictly fulfilled.

RECONSTRUCTION.—A joint stock company may often find itself in a state of embarrassment through lack of capital or through other circumstances, and may desire to expand its operations in various ways. Again, there may be a desire to amalgamate with one or more other companies, and thus merge several businesses into one new company. This is carried out by means of what is known as reconstruction. The old company is first of all wound up, generally voluntarily, and a new company is established. The old business is sold to the new company which is to be established, and, in order to effect this, a power is sometimes inserted in the memorandum of association.

Another method is under Section 192 of the Companies (Consolidation) Act, 1908, which replaces Sections 161 and 162 of the Companies Act, 1862. Very careful reference should be made to this section, and its provisions must carefully be studied. It is as follows:—

"(1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company (in this section called the transferee company), the liquidator of the first-mentioned company (in this section called the transferor company) may, with the sanction of a special resolution of that company, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests, or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

"(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

"(3) If any member of the transferor company who did not vote in favour of the special resolution at either of the meetings held for passing and confirming the same, expresses his dissent therefrom in writing addressed to the liquidator, and left at the registered office of the company within seven days after the confirmation of the resolution, he may require the liquidator either

to abstain from carrying the resolution into effect, or to purchase his interest at a price to be determined by agreement or by arbitration in manner provided by this section.

"(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

"(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for winding up the company, or for appointing liquidators, but, if an order is made within a year for winding up the company by or subject to the supervision of the court the special resolution shall not be valid unless sanctioned by the court.

"(6) For the purposes of an arbitration under this section the provisions of the Companies Clauses Consolidation Act, 1845, or, in the case of a winding up in Scotland, the Companies Clauses Consolidation (Scotland) Act, 1845, with respect to the settlement of disputes by arbitration, shall be incorporated with this Act, and in the construction of those provisions this Act shall be deemed to be the special Act, and "the company" shall mean the transferor company, and any appointment by the said incorporated provisions directed to be made under the hand of the secretary, or any two of the directors, may be made under the hand of the liquidator, or if there is more than one liquidator then of any two or more of the liquidators."

As to "reconstruction" and "amalgamation," the head note of *In re South African Supply and Cold Storage Company*, 1904, 2 Ch 268, may be quoted: "Neither 'reconstruction' nor 'amalgamation' has any definite legal meaning. Each word is a commercial and not a legal term, and even as a commercial term has no exact definite meaning. Where an undertaking is being carried on by a company, and is in substance preserved and transferred not to an outsider but to another company, consisting substantially of the same shareholders, with a view to its being continued by the transferee company, that is a reconstruction, and it is none the less a reconstruction because all its assets do not pass to the new or resuscitated company, and all the shareholders of the transferor company are not shareholders in the transferee company, and the liabilities of the transferor company are not taken over by the transferee company. To constitute 'amalgamation' there must be a blending of substantially two or more existing undertakings into one undertaking, the shareholders of each blending company becoming substantially the shareholders in the company which holds the blended undertakings, and there may be amalgamation either by the transfer of two or more undertakings to a new company, or by the transfer of one or more undertakings to an existing company. It is not necessary that a resolution for winding up should refer to 'reconstruction' or 'amalgamation,' in order to constitute a 'winding up for the purpose of reconstruction or amalgamation,' but the purpose of the winding up may be gathered from the whole of the circumstances which result in reconstruction or amalgamation."

Reconstruction can take place in certain cases without the necessity of winding up under the

powers given in Section 120 of the Companies Act, 1908.

RECONVEYANCE.—When land is mortgaged, the legal mortgage (*q.v.*), conveys the legal estate in the land from the mortgagor to the mortgagee. When, however, the debt which is created is repaid, the mortgagee transfers the land again to the mortgagor by means of what is called a reconveyance. But if there is no reconveyance, and after the mortgage debt has been repaid the mortgagor is in actual possession, he gets the legal estate re-vested in him after a period of twelve years by reason of the Statutes of Limitation (See **LIMITATION STATUTES** or **STATUTES OF**).

Where land has been mortgaged to a building society, the receipt of the society on the mortgage deed itself acts as a reconveyance of the property mentioned in the deed. Such a reconveyance is exempt from stamp duty.

Where a mortgagor is entitled to redeem, he has, by virtue of the Conveyancing and Law of Property Act, 1881, power to require the mortgagee, instead of reconveying, to assign the mortgage debt and convey the mortgaged property to any third person.

In the case of an equitable mortgage, when the debt is repaid, no reconveyance is necessary. As a second mortgage is an equitable mortgage the same remark applies, but there should be an ordinary stamped receipt showing that the money has been repaid.

The stamp duty upon a reconveyance is sixpence for every £100, and fractional part of £100, of the total amount of the money at any time secured (See **MORTGAGE**).

RECORD, COURT OF.—(See **COURT OF RECORD**.)

RECORDER.—This is a judicial officer, whose legal position is now concerned with criminal matters affecting the borough to which he is appointed. There are other matters, especially rating, which are referred to him by way of appeal. His ceremonial duties are few, the most important being that of reading the address of the borough to the Sovereign whenever a state visit is paid to the borough.

The recorder of a borough presides at quarter sessions (*q.v.*). He is appointed by the Crown on the advice of the Home Secretary. He must be a barrister of at least five years' standing. In practice, no barrister is appointed unless he is also a member of the circuit (*q.v.*) in which the borough is situated. The salaries of recorders vary greatly, and they are paid by the borough council. By the Municipal Corporation Act, 1882, the amount is fixed by the Home Secretary, but the sum must not exceed that which the council has declared itself willing to pay in the petition presented to the Government for the establishment of a court of quarter sessions. With the consent of the Home Secretary the salary may be increased. In certain boroughs, but very few, the salary is nil, whilst in others, particularly Liverpool and Manchester, the remuneration is exceedingly handsome for the amount of work that has to be done.

The Recorder of the City of London occupies a peculiar position. He is appointed by the Aldermen of the City of London, but he cannot act until the appointment is confirmed by the Crown. His salary is £4,000 a year. His position is little inferior to that of a judge of the High Court. He is the principal judge of the Mayor's Court (*q.v.*), and he is also one of the judges at the Central Criminal

[FACSIMILE OF RECONVEYANCE OF MORTGAGED LEASEHOLDS BY INDORSEMENT ON THE MORTGAGE DEED]

THIS INDENTURE made the day of One
thousand nine hundred and

BETWEEN the within-named Alfred Brown of the one part and
the within-named Charles Dixon of the other part

WITNESSETH that in consideration of all interest on the
within-mentioned sum of £2000 having been paid up to the date
of these presents and of the sum of £2000 now paid by the said
Charles Dixon to the said Alfred Brown (the receipt whereof the
said Alfred Brown doth hereby acknowledge as being in full
discharge of all principal moneys and interest secured by or now
owing under the within-written indenture) the said Alfred Brown
AS MORTGAGEE doth hereby ASSIGN SURRENDER AND RELEASE unto the
said Charles Dixon

ALL AND SINGULAR the hereditaments and premises comprised
in or demised (1) by the within-written indenture or which are
now by any means vested in the said Alfred Brown subject to
redemption by virtue of the said indenture (2) to the intent that
the term of years granted by the within-written indenture may
merge in the term of years granted by the within-recited inden-
ture of lease and become extinguished and that the said heredita-
ments and premises may henceforth be held by the said Charles
Dixon his executors administrators and assigns discharged from
the said sum of £2000 and the interest thereon and all moneys
now or at any time owing on the security of the within-written
indenture and from all charges claims and demands thereunder or
otherwise howsoever

IN WITNESS whereof the said parties hereto have hereunto
set their respective hands and seals the day and year first
above written

ALFRED BROWN

L.S.

CHARLES DIXON

L.S.

(1) If the mortgage was by assignment, substitute
"assigned" for "demised."

(2) If the mortgage was by assignment, say:

"TO HOLD the said hereditaments and premises hereby assigned
UNTO the said Charles Dixon his executors administrators and
assigns for all the residue now unexpired of the term of years
granted by and subject to the rent and covenants by the lessee,
reserved by and contained in the within-written indenture of
lease"

Court. He charges the grand jury at the sittings of the latter (but see **JURY**), but, in practice, he cannot try the more serious charges, such as murder or manslaughter. Ceremonially he is the official spokesman of the Corporation of the City of London.

RECORDS.—These are the whole collection of documents of a public nature, which have reference to the history and the government of the nation. By the Public Record Office Act, 1838, they are defined as "all rolls, records, wills, proceedings, decrees, bills, warrants, accounts, papers, and documents whatsoever of a public nature belonging to His Majesty." Formerly these records were scattered about in various parts of the country, but after 1838 they were collected and placed under the control of the Master of the Rolls (*qv*), who was made Keeper of the Public Records. They are now deposited in the Record Office, a building between Chancery Lane and Fetter Lane. The earliest of the records is Domesday Book. Special facilities are granted to persons who require to consult them upon good cause being shown in the application.

The records relating to Scotland are deposited in the General Register House in Edinburgh, which is under the control of the Lord Clerk Register, and those relating to Ireland are kept in the Irish Public Record Office in Dublin, the nominal custodian being the Irish Master of the Rolls.

RECOURSE.—Literally, a running back (See **SANS RECOURS**, WITHOUT RECOURSE.)

RECOVERY OF DEBTS.—The extended credit that is now allowed in almost all kinds of business is responsible for the difficulties encountered in recovering debts from a certain class of traders, who widen the range of their liabilities and frequently end in the bankruptcy court. The only effective way of recovering debts expeditiously is by using the machinery of the High Court (see **ORDER XIV**), or of the County Court (see **DEFAULT SUMMONS**). Provided the debt is a liquidated amount, such as liability on a bill of exchange or for goods sold and delivered, and it is known that there is no tenable defence likely to be set up, the High Court should be made use of when the debt is £20 and upwards, the County Court being the forum chosen when the amount sued for is less than that sum. The procedure to be followed in each case is sufficiently indicated in the two articles to which reference has just been made.

In all cases, however, a creditor should not be in too great a hurry to commence proceedings against his debtor. Application should be made for the debt first of all by the creditor, and if this is without avail a solicitor should be instructed to apply, and to intimate that legal proceedings will be commenced unless the debt is paid. There are in existence certain trading associations which undertake the collection of debts, and there are likewise agents who make debt collection a part of their business. For whatever work is done in the way of collection, the creditor is responsible for the payment of the expenses incurred. And if a solicitor is employed, the liability to pay the amount demanded, as a matter of course, by the solicitor as his charges is not a debt of the debtor but of the creditor who has engaged him. Take a concrete case. A is a creditor of B for an amount of £25. A applies to B for payment, and not being able to obtain the amount he engages a solicitor to collect the debt. The solicitor writes to B demanding the money, and frequently adds something to the

following effect: "Unless the above amount, together with my charges, amounting to —, is paid by Wednesday next, legal proceedings will be commenced against you." If B thinks that the time has now arrived for wiping out his indebtedness, he can pay the £25 and entirely ignore the solicitor's charges. These must be paid by A, who has employed the solicitor.

In taking legal proceedings for the recovery of debts, the creditor should always carefully consider the position of the debtor, and ascertain as far as possible whether he is likely to obtain anything by a judgment. Of course there are always the methods of execution, judgment summons, and under certain conditions, bankruptcy proceedings which can be put in force. Unless, however, there is something tangible to be gained, or unless the creditor is likely by proceeding against the debtor to put a stop to more or less fraudulent dealings, and by so doing to confer a benefit upon the public, he had better look upon his debt as a bad one and refrain from spending money uselessly.

RECOVERY OF PREMISES.—On the termination of a tenancy, whether the same is created by a lease or by an agreement, the landlord is entitled to the delivery up of the premises which have been demised. Also the landlord is entitled to possession if there has been a breach of any of the covenants of the lease or agreement by which a forfeiture is created, though in this latter case the tenant can generally obtain relief if he desires to do so, unless the breach has been occasioned by assignment or underletting, or by the bankruptcy of the tenant (There is a further exemption in the case of a mining lease which does not, however, need any mention here). The landlord having the right to re-enter the tenant should give up quiet possession. If he refuses to do so, the landlord can re-enter on his own account if the re-entry can be effected peaceably. But although it is a case of re-taking possession of what is strictly and legally the estate of the landlord, no re-entry can be made by force. To attempt a re-entry in this fashion is an indictable offence. The proper course to adopt is to procure the assistance of the law by means of an action in the High Court, the County Court, or summarily in the Police Court. If the annual value or the actual rental of the premises is over £100, the case must be taken to the High Court. If the annual value or the actual rental is less than £100, the County Court is the proper forum for seeking relief. Should the case be a very clear and straightforward one, and not likely to be contested on any substantial ground, the landlord may proceed under Order XIV (*qv*). But he must be very certain of his ground, otherwise, if the £100 limit is not reached, there is always a danger as to the question of costs, even in case of success. When the case goes to trial either in the High Court or the County Court the landlord must prove his title and also that he is entitled to judgment for possession, on the ground either that the tenancy has terminated by effluxion of time or by notice, or that there has been a forfeiture. The tenant, after such a judgment, will be ejected by an officer of the law, though it is the common practice for the court to allow a certain number of days to elapse before the ejectment takes place. The summary method in a police court is adopted where the annual rental of the premises does not exceed £20, and the term is for a period not exceeding seven years. In such a case the landlord may summon

the tenant, after giving him seven clear days' notice, before the justices, and the justices are empowered to issue a warrant authorising the constable of the district to eject the tenant and to give possession to the landlord. When the warrant has been issued, the constable is only entitled to enter in and upon the premises between the hours of nine a.m. and four p.m. A warrant issued by the justices only remains in force for a period of three months. As to when the landlord seeks to obtain possession of premises which have been quitted by a tenant, but whose tenancy has not expired, see **DISRUPTED PREMISES**.

The foregoing must be read with recent legislation restricting the landlord's right to contract freely as to the premises he owns. By various Acts the power to raise rents and to terminate tenancies has been restricted. Originally these Acts were temporary matters, but by the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, the former emergency legislation is repealed, and the new Act aims at preventing profiteering in the smaller classes of house property, partly by forbidding the increase of rent payable by tenants in possession, and partly by prohibiting landlords from evicting tenants and letting the houses to others from whom higher rents may be demanded, and generally from unnecessarily disturbing tenants in occupation.

The new Act is to continue in force until 24th June, 1923, except in the case of business premises not also used as dwelling houses, where the date is 24th June 1924. If a landlord now requires possession, he must take the matter to the County Court, and the Judge may use his discretion as to whether or not he makes an ejectment order. In any case the Judge cannot make an order except on certain grounds, such as non-payment of the rent, or breach of the agreement of tenancy, or committing a nuisance or damage. Another ground for ejectment is when the landlord requires the tenant's house for himself or some person *bona fide* residing with him or in his employ, and there is reasonable alternative accommodation available to the tenant. There are certain cases where the existence of alternative accommodation is not required, but for full details the reader is recommended to consult the Act itself. Many points seem extremely doubtful at the time of writing, and no doubt there will be further legislation or case law on the subject in the near future.

REDEMPTION OF MORTGAGE.—This signifies the repayment of the loan raised upon a mortgage and the consequent release of the property mortgaged to the mortgagor. (See **MORTGAGE**.)

RED HERRING.—The chief form of herring exported from the United Kingdom. It is prepared by smoking in an atmosphere of creosote.

RE-DISCOUNT.—Where a person has discounted a bill, he may, if he wishes to do so, discount it afresh with another person. (See **DISCOUNTING A BILL**.)

RED LETTER DAY.—This is a term often applied in business to those periods which are exceptionally memorable on account of the good fortune attending people at such a time, for example, when trade is particularly good, or when large profits are made upon stocks or shares on the Stock Exchange. The name is of ecclesiastical origin, being derived from the fact that in the old Anglican calendar the saints' days were indicated in two colours, those of the more important

saints being in red, whilst those of the minor saints were in the ordinary black letter.

RE-DRAFT.—This signifies a second draft (*q.v.*) or second copy of anything. It is also a term applied to a new bill of exchange which the holder of a protested bill (*q.v.*) draws upon the drawer or the indorsers for the amount of the original bill, together with costs and charges. Another name sometimes given to a re-draft of this kind is "cross bill."

REDUCED ANNUITY.—The annuity upon which the rate of interest originally stipulated to be paid has been reduced in amount.

REDUCTION OF CAPITAL.—For various reasons, a company may find it necessary to reduce the amount of the liability to its members. The original Companies Act, 1862, made no provision whatever for such a procedure; successive statutes from 1867 to 1907, however, contained provisions allowing companies to adopt this course. These provisions will now be found in the Companies Act, 1908 (Secs. 40 and 46-56). Section 40, however, merely provides for a reduction of capital out of profits, which may be achieved by the sanction of the shareholders in the form of a special resolution (*q.v.*), and a memorandum must be made to the registrar of joint-stock companies giving particulars of such reduction.

These Sections, 46-56, are so important that they are here set out *in extenso*—

Special Resolution for reduction of capital.

"46 (1) Subject to confirmation by the court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may—

"(a) Extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

"(b) Either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

"(c) Either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company;

"and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

"(2) A special resolution under this section is in this Act called a resolution for reducing share capital.

Application to court for confirming order.

"47 Where a company has passed and confirmed a resolution for reducing share capital it may apply by petition to the court for an order confirming the reduction.

Addition to name of Company.

"48 On and from the confirmation by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, then on and from the presentation of the petition for confirming the reduction, the company shall add to its name,

until such date as the court may fix, the words 'and reduced,' as the last words in its name, and those words shall until that date, be deemed to be part of the name of the company:

"Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the court may, if it thinks expedient, dispense altogether with the addition of the words 'and reduced'."

Objections by Creditors.

"49.—(1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if the court so directs, every creditor of the company who at the date fixed by the court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

"(2) The court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

"(3) Where a creditor entered on the list whose debt or claim is not discharged or determined does not consent to the reduction, the court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the court may direct, the following amount, (that is to say):—

"(i) If the company admits the full amount of his debt or claim, or though not admitting it is willing to provide for it, then the full amount of the debt or claim;

"(ii) If the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the court after the like inquiry and adjudication as if the company were being wound up by the court.

Order confirming reduction

"50 The court, if satisfied, with respect to every creditor of the company who under this Act is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has been determined, or has been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

Registration of order and minute of reduction.

"51.—(1) The registrar of companies on production to him of an order of the court confirming the reduction of the share capital of a company, and the delivery to him of a copy of the order and of a minute (approved by the court), showing with respect to the share capital of the company, as altered by the order, the amount of the share capital, the number of shares into which it is to be divided, and the amount of each share, and

the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute.

"(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

"(3) Notice of the registration shall be published in such manner as the court may direct.

"(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

Minute to form part of Memorandum.

"52.—(1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein; and must be embodied in every copy of the memorandum issued after its registration.

"(2) If a company makes default in complying with the requirements of this section it shall be liable to a fine not exceeding one pound for each copy in respect of which default is made, and every director and manager of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Liability of members in respect of reduced shares.

"53 A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute;

"Provided that if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for reduction, or of their nature and effect with respect to his claim, not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions of this Act with respect to winding up by the court, to pay the amount of his debt or claim, then—

"(i) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration; and

"(ii) if the company is wound up, the court, on the application of any such creditor, and proof of his ignorance as aforesaid may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

"Nothing in this section shall affect the rights of the contributories among themselves.

Penalty on concealment of name of Creditor.

"54 If any director, manager, or officer of the company wilfully conceals the name of any

creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any director or manager of the company aids or abets in or is privy to any such concealment or misrepresentation as aforesaid, every such director, manager, or officer shall be guilty of a misdemeanour.

Publication of reasons for reduction.

" 55 In any case of reduction of share capital, the court may require the company to publish as the court directs the reasons for reduction, or such other information in regard thereto as the court may think expedient with a view to give proper information to the public, and, if the court thinks fit, the causes which led to the reduction.

Increase and reduction of share capital in case of a company limited by guarantee.

" 56 A company limited by guarantee and registered on or after the first day of January nineteen hundred and one, may, if it has a share capital, and is so authorised by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company limited by shares may increase or reduce its share capital under the provisions of this Act "

After obtaining confirmation by the court, and if authorised by its articles, a company is entitled by special resolution to reduce its share capital in any way in either of the following forms—

(1) By extinguishing or reducing the liability on any of its shares. In respect of share capital not paid up: as, for example, assuming a company to have certain undistributed profits, it may apply those profits, should the shareholders so determine, to extinguish a part or whole of the unpaid-up capital, the shares being allowed to rank as fully paid.

(2) Again, assuming the company to have lost certain of its assets by the same process, it is possible to cancel any of its paid-up share capital, or a portion of it, to the extent represented by the lost or depreciated value of any assets.

(3) It is possible to refund any of the paid-up share capital, which may be in excess of the company's needs; this may be effected without extinguishing or in any way reducing the liability of its members on any particular class of share or classes of shares.

To effect any of those alterations, it will be necessary to alter its memorandum of association to the extent to which its share capital or the nominal value of its shares has been reduced.

In every instance where it is sought to effect a reduction of capital under the sections above-named, it becomes necessary to pass a special resolution in the manner prescribed by the statutes and the company's articles of association. After the passing of such resolution, the company is to petition the court for an order to confirm the reduction.

After the confirmation by the court of any reduction of capital, assuming it does not involve a decrease in the nominal liability to its members, the company is required to affix the words "and reduced" after its title; these words are to remain for such time as the court may prescribe. The addition of these words will be considered as part of the title of the company; the court may, however, at its discretion, dispense with the requirement as to the addition of these words.

The petition to the court must set out the full history of the company, giving full particulars as to its capital liability from time to time since incorporation, stating precisely the position of its assets and liabilities at the time of the petition, and, further, stating as fully as possible the reasons or objects for which it is desired to effect the proposed reduction. If the petition is granted, the court may require the company to publish the reasons or the objects for reducing the share capital.

The minute or copy of the resolution embodying a reduction of capital must be given to the registrar of companies with the prescribed notice of reduction. This minute or special resolution will be substituted for that portion of the memorandum of association dealing with the company's share capital, or such portion thereof as may be affected, and every subsequent copy of the memorandum issued for circulation in the manner prescribed must contain a copy of the resolution or minute. Any neglect to conform to this last restriction imposes a penalty on the company of £1 for every copy of the memorandum of association circulated, in which the special resolution effecting reduction is not included.

Companies limited by guarantee are now empowered by Section 56 of the Companies Act, 1908, to employ the same provisions for reducing capital, as are provided for by companies limited by shares.

In winding up, any person who is a creditor of the company at the commencement of the winding up and entitled to lodge a proof of debt against the company, is entitled to object to a proposal for reduction, assuming the process of reduction to be incomplete at the date of commencing liquidation.

Effect on Accounts. When the proper judicial sanction has been obtained for the reduction of a company's capital and the necessary formalities with the Board of Trade have been attended to as outlined above, the consequent adjustments must be made in the financial books affected. Thus assuming that an instance analogous to case (2), quoted above, has arisen, and a given company finds itself unable to maintain its former rate of dividends and also that certain of its assets have diminished in value, it has been found expedient to write off an amount from certain of its assets to correspond with a reduction in ordinary share liability by altering the nominal value of each from £1 to 15s. to rank as fully paid. The balance sheet gave—

Liabilities.			Assets.		
	£	s. d.		£	s. d.
Ordinary Share Capital—			Freehold Property	25,000	0 0
50,000 Ordinary Shares of £1 each,			Plant and Machinery	42,000	0 0
fully paid	50,000	0 0	Investments	10,000	0 0

[FACSIMILE OF AGREEMENT REFERRING SPECIFIED DISPUTES TO ARBITRATION]

MEMORANDUM OF AGREEMENT made the day of
BETWEEN A of etc. of the one part and B of etc. of the
other part

WHEREAS disputes and differences have arisen and are still
subsisting between the said A and B relative to (state in full
detail all the matters which are in dispute)

NOW IT IS HEREBY AGREED that the said disputes and differ-
ences and all matters in difference between the said parties
which now exist or may arise at any time before the last ten days
immediately preceding the day which shall be appointed by the
arbitrators hereinafter mentioned for the first sitting in the
arbitration shall be referred and the same are hereby referred
to the arbitration and determination of C of etc. an arbitrator
nominated by the said A and D of etc. an arbitrator nominated by
the said B or in case they shall not agree in making an award or
in determining any matter or matters hereby referred to them then
as regards the matter or matters as to which there shall be such
disagreement to the umpirage of such person as the said arbi-
trators shall in writing under their hands before they enter on
the business of the reference appoint

PROVIDED that the said arbitrators make and publish their
award in writing signed by them concerning the matters referred
ready to be delivered to the said parties or either of them or
if they or either of them shall be dead before the making of the
award to their or his personal representatives who shall require
the same on or before the day of next or
on or before any subsequent day not later than the
day of next to which the said arbitrators shall by
any writing from time to time enlarge the time for making the
said award

AND SO as the said umpire make and publish his award in
writing signed by him concerning the matters referred to him
ready to be delivered as aforesaid within days after
the original or extended time appointed for making the award
of the said arbitrators shall have expired or on or before any
subsequent day not being more than days from such
last-mentioned time to which the said umpire shall by any
writing signed by him enlarge the time for making his award

AND THAT the award or determination which shall be made by
the said arbitrators or umpire shall be final and binding upon
the said parties hereto respectively and their respective
executors administrators and assigns so as such arbitrators shall
make their award in writing within days after the
reference to them or on or before any later day to which the said
arbitrators by any writing signed by them shall enlarge the time
for making their award and so as such umpire shall make his award
or determination in writing within days next after
the original or extended time appointed for making the award of

the said arbitrators shall have expired or on or before any later day to which the umpire by any writing signed by him shall enlarge the time for making his award

AND ALSO that no action or legal proceedings shall be commenced or prosecuted by either of the said parties hereto or his executors administrators or assigns against the other of them his executors administrators or assigns touching any of the said matters in difference unless the party to be made defendant to such action or proceedings shall have refused or neglected to refer such matters to arbitration pursuant to the provision hereinbefore contained or unless the time limited for making such award as aforesaid shall have expired without any such award being made

AND ALSO that the respective parties to such reference and all persons claiming through them respectively shall submit to be examined by the said arbitrators or umpire upon oath or affirmation in relation to the matters in dispute and shall produce before the arbitrators or umpire all books deeds papers accounts writings and documents within the possession or power of the said respective parties which may be required or called for and do all other things which during the proceedings on the said reference the said arbitrators or umpire may require

AND THAT the witnesses on the reference shall if the arbitrators or umpire shall think fit be examined on oath or affirmation

AND THAT the costs of the reference and the award shall be in the discretion of the arbitrators or umpire who may direct to and by whom and in what manner the same or any part thereof shall be paid and with power to tax or settle the amount of costs to be so paid or any part thereof and to award costs to be paid as between solicitor and client

AND THAT this submission to reference and any award made in pursuance thereof may at the instance of either of the parties and without any notice to the other of them be made a rule or order of the Division of the High Court of Justice

IN WITNESS whereof the parties hereto have set their hands ,
this day of

A.

B.

It was proposed to depreciate the book values as to Freehold Property, £3,000; Plant and Machinery, £8,000; and Investments by £1,500, or £12,500 in all, which represented the difference of 5s. per share on the 50,000 shares. The following journal entry was necessary—

	£	s.	d.
Ordinary Share Capital issued	12,500	0	0
To Sundries—			
• Freehold Property	3,000	0	0
• Plant & Machinery	8,000	0	0
Investments	1,500	0	0
As per Special Reso- lution passed in General Meeting on 19 ..	12,500	0	0
	12,500	0	0

After posting to the ledger the position of affairs shown by the books was then as given below—

Liabilities.	£	s.	d.
To Ordinary Share Capital paid-up—			
50,000 Shares at 15s. each ..	37,500	0	0

cheque is based upon some ground other than insufficient funds, such as "indorsement irregular," "amounts differ," "post-dated cheque," "orders not to pay," etc.

REFEREE.—The person who is chosen to decide as to some matter which is in dispute between contending parties.

In many contracts which are entered into nowadays, it is customary to insert a clause by which matters in dispute are to be decided by arbitration. If this is so, the parties themselves choose the referee or arbitrator, or take such other steps as are provided for by the terms of the contract. Generally it is agreed that each side shall appoint an arbitrator, and the two arbitrators shall have the right to select an umpire if they cannot come to a settlement. A facsimile of an agreement to refer specified disputes to a referee or arbitrators is shown inset.

In other cases the referee is appointed by the court, and there are three Official Referees (*qv*) attached to the High Court, with practically all

Assets.	£	s.	d.
By Freehold Property	22,000	0	0
„ Plant and Machinery	34,000	0	0
„ Investments	8,500	0	0

The directors in their next annual report following upon this alteration would refer to the modified figures in the balance sheet.

RE-EXCHANGE.—In the case of a bill which has been dishonoured abroad, it is provided by the Bills of Exchange Act, 1882, Section 57, Sub-Section 2, that "the holder may recover from the drawer or an indorser, and the drawer or an indorser who has been compelled to pay the bill may recover from any party liable to him, the amount of the re-exchange with interest thereon until the time of payment." Where a bill which has been drawn or indorsed in one country is dishonoured in another, the method of calculating the re-exchange is to ascertain the sum for which a bill at sight, at the prevailing rate of exchange, drawn at the time and place of dishonour or the place where the drawer or the indorser resides, can be obtained, so as to produce at the place of dishonour the amount of the dishonoured bill together with the cost of protest, the commission, the postage, and all other expenses in connection with the dishonour.

RE-EXPORTATION.—This is the act of exporting goods from a country into which they have been first of all imported.

REFER TO DRAWER.—When the account of a customer is not such as to justify a banker in paying a cheque drawn by the customer, as, for example, when there are not sufficient funds to meet the amount of the cheque and no arrangement has been made as to an overdraft, it is the practice of the drawee banker to write the words "refer to drawer," or the abbreviated form "R/D" on the face of the cheque. This will happen whether the cheque is handed in at the counter of the bank or passed through the Clearing House. If the refusal of payment is really insufficiency of funds standing to the credit of the customer, the banker may use the words "not sufficient," or the abbreviated form "N/S," but the milder intimation is considered preferable.

"Refer to drawer" or its abbreviated form should never be used if the banker's refusal to pay the

the powers of a judge, to whom matters of account are compulsorily transferred. (See **ARBITRATION**)

REFEREE IN CASE OF NEED.—The person to whom the holder of a bill of exchange may apply, in case of the bill being dishonoured by non-acceptance or by non-payment. (See **ACCEPTOR FOR HONOUR**). No liability attaches to the referee in case of need until he has accepted for honour.

By the Bills of Exchange Act, 1882, Section 15, "The drawer of a bill and any indorser may insert therein the name of a person to whom the holder may resort in case of need, that is to say, in case the bill is dishonoured by non-acceptance or non-payment. Such person is called the referee in case of need. It is in the option of the holder to resort to the referee in case of need or not as he may think fit."

The name of the referee may be inserted in the bill by the drawer or any indorser, and it is usually put in the left-hand bottom corner of the bill thus: "In case of need apply to the A. & B. Bank, Leeds," or "In case of need with the A. & B. Bank, Leeds," or "In need with the A. & B. Bank, Leeds."

REFEREE, OFFICIAL.—(See **OFFICIAL REFEREE**.)

REFEREES, COURT OF.—This is a court constituted by the standing orders of the House of Commons, and composed of the Chairman of Ways and Means and three other persons nominated by the Speaker. The business of the court is to report on private bills (*qv*). Three of the members are sufficient to form a quorum (*qv*), but in any case the chairman must be a member of the House of Commons.

REFERENCE.—This word is used in different senses.

(1) It signifies the act of making a comparison between two or more different things.

(2) In a legal sense it denotes that where a case consists of complicated accounts, the whole proceedings are referred to some special officer of the court, generally to one of the Official Referees in the High Court, and to the Registrar in County Court.

(3) In arbitration the word denotes the matters

referred to the arbitrators. (See ARBITRATION, REFERENCE.)

(3) Which a person is being engaged in a particular service, or where business transactions are being entered into for the first time, inquiries are often made by one or other of the parties as to the commercial standing, the financial ability, and the general character of the other from third parties who are acquainted with them. The name "reference" is applied either to the person who answers the inquiries, or to the document in which the answers are contained. In the latter case, however, where the reference signifies the communication itself, the same may be made verbally. But if a false reference is given, the person deceived has no right of action for deceit (*q.v.*) unless the statement is made in writing.

REFERENCE SLIP.—This is a term used in banking practice. If a bill has been accepted payable at a certain bank in London, and another London bank has been requested by a country bank to retire (*q.v.*) the bill, the second bank sends a request to the first bank to refer the bill to it (the second bank) for payment. The note or intimation sent is contained in what is called a "reference slip," *i.e.*, a slip which contains a description of the bill. When the bill is sent by the first bank to the second bank in accordance with the request, the reference slip should be attached to the bill.

REFINERY.—As its name implies, a refinery is a factory for refining produce. It is used chiefly in connection with sugar and oil. Sugar refineries are numerous throughout the world, and they not only refine sugar, but in the case of beet-growing countries they manufacture it. Oil refineries are, as a rule, common only where mineral oil is produced, and serve not only to refine, but previously to distill, say, petrol from crude petroleum and extract lighting oil from the residue. The latter is refined for the production of lubricating oil and grease, and the refuse from this manufacture is sold as fuel oil. The final residue is generally in the form of asphalt, which is useful as the top binding material in road making.

REFUND.—To repay.

REGISTERED BONDS.—These are bonds which are registered in the name of the holder in the books of the company or the State issuing the same, as a protection against loss or theft. Such bonds are payable only to the person named therein. Bearer bonds, on the other hand, are payable to the bearer of the same, and pass from hand to hand by mere delivery. Bearer bonds are negotiable instruments; registered bonds are not.

REGISTERED CAPITAL.—This is the capital of a company which is authorised by its memorandum of association. In addition to "registered," the capital is also known as "nominal" and "authorised." (See CAPITAL.)

REGISTERED CERTIFICATE. The document which is issued to a shareholder or stockholder by a company, certifying that such person is duly registered as a member of the company in respect of a certain quantity of shares having specified numbers. These certificates are accepted by the law as *prima facie* evidence of the title of the member to the share or shares or stock therein specified.

REGISTERED LETTERS.—These are letters which are granted special protection by the Post Office in the course of transmission. It is often

imagined that registration is equivalent to insurance, but this is not so. The Government will not pay for alleged losses when there has been some alleged miscarriage in the transit of letters. Payment will only be made if there is satisfactory evidence of the *bona fides* of the sender. It is obvious that if this were not so the door would be opened to fraud of the most unlimited character. The payment is purely *ex gratia*. Registered letters are always handed over the counter of the post office, and a receipt is given for them. Special care is taken as to their despatch, and they are only delivered upon a special receipt being signed by the addressee or his agent. Letters may be registered for varying amounts according to the value of their contents. (See POST.)

REGISTERED OFFICES, COMPANIES'.—Very important and stringent regulations are contained in the Companies Act with regard to registered offices of companies. In the first place, all companies limited by shares are required to state in their Memorandum of Association (Sec. 3 (i) and (ii)) the part of the United Kingdom, that is, whether England, Scotland, or Ireland—Wales in this matter being considered part of England—in which the company will be domiciled, and where its registered office is situated. Then again, in Part III of the Act (Sec. 62), the part dealing with the management and administration, every company is required to have a registered office where all communications, notices, or documents may be addressed or delivered, and further, that notice of the situation of the registered office or of any change thereof, is to be given to the Registrar at Somerset House. Suitable forms for the purpose of registering the offices of a company can be obtained from all law stationers, and the notification can only be made on these properly prescribed forms. A penalty not exceeding £5 per day is inflicted on the company for failure to comply with the requirements under this Section.

The name of every company is to be fixed in full in a prominent part at the entrance to its registered office. The statute by Section 63 requires all companies "to paint or affix", this is, however, almost universally carried out by securing a brass plate bearing the company's full registered title, with the legend "Registered Offices" immediately below it. The Section, moreover, enacts that the name shall be placed "in a conspicuous position, in letters easily legible." Penalties are here inflicted also. The company is liable to a fine not exceeding £5 for failing to exhibit its name in the manner prescribed and for every day during which the name is not affixed, each director and manager of the company who knowingly and wilfully authorises the default is liable to the same penalty. Presumably the company is liable to the sum of £5, whilst the officers named are rendered liable to the extent of that amount per day.

In addition to these requirements relating to the registered office, companies are required to have affixed at each place of business the full name of the company in plain, legible letters, and in a prominent position at the principal entrance to each place of business. Writs and all summonses must be served only at the registered office, it will not suffice to serve these at any other place owned by the company either for civil or criminal proceedings. If a company has failed to comply with the requirements of the Act as to registration of its principal place of business, application must be made to the

court for instruction as to how service of writs or summonses is to be made.

Registers of members and registers of mortgages are required to be kept at the registered office, where they are to be open to the inspection of the public under certain conditions. In the case of banking and insurance companies, the balance sheet is to be exhibited in a conspicuous place at the company's registered office and also at every branch establishment.

REGISTERED STOCK.—This is stock which is registered in the owner's name in the company's register of members. It can be transferred to another person only upon a document of transfer being duly executed by the registered holder. The dividends upon the stock are paid by means of warrants sent out from the company's office. In the case of bonds which are payable to bearer, there is no registered owner, and the bonds pass from one person to another by simple delivery. The interest upon the bonds is paid by means of the coupons which are attached to the bonds.

Several corporation stocks are transferred by book entry under the "inscribed stock" regulations, though their titles do not indicate that they are inscribed stocks (*q.v.*)

REGISTER OF COMPANIES.—(See REGISTER OF COMPANIES.)

REGISTER OF DEBENTURE HOLDERS.—Registers are now required to be kept by joint-stock companies as to debentures issued by them, and these must be open to the inspection of the public under certain conditions. Provision is made as to this register by the Companies (Consolidation) Act, 1908, Section 102, as follows:—

"(1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles, during such period or period (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every holder may require a copy of the register or any part thereof on payment of sixpence for every one hundred words required to be copied.

"(2) A copy of any trust deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment, in the case of a printed trust deed, of the sum of one shilling or such less sum as may be prescribed by the company, or, where the trust deed has not been printed, on payment of sixpence for every one hundred words required to be copied.

"(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding five pounds, and to a further fine not exceeding two pounds for every day during which the refusal continues, and every director, manager, secretary, or other officer of the company who knowingly authorises or permits the refusal shall incur the like penalty."

REGISTER OF DIRECTORS.—The statutory requirements as to the register of directors are contained in the Companies (Consolidation) Act, 1908, Section 75, as amended by the Companies (Particulars as to Directors) Act, 1917. Section 75 of the principal Act is as follows:—

"(1) Every company shall keep at its registered office a register containing the names and addresses and the occupations of its directors or managers, and send to the registrar of companies a copy thereof, and from time to time notify to the registrar any change among its directors or managers.

"(2) If default is made in compliance with this section, the company shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty."

Under the Act of 1917, the register must show (i) full names of directors, (ii) nationality, and (iii) if naturalised, the country of origin of each director.

REGISTER OF MEMBERS.—This is one of the statutory books required to be kept by all companies registered under the Companies Acts. Its scope will range from a book of modest dimensions, which may also comprise space for allotment lists, transfer register, and dividend lists, all within the space of one binding. On the other hand, in the case of some of the largest companies, the register of members may comprise a set of large volumes, probably different sets to represent various classes of capital. In some cases where the number of shareholders amounts to many thousands, the register may be extended to as many as a score of volumes, these should be subdivided into two or three groups, representing preference, ordinary, or deferred shares, as the case may be, but in such cases a general index on an alphabetical plan will also be kept, which will give immediate reference to the holding of any individual shareholder. Provision will be made in this index to show his or her holding in the various classes of shares, and, probably, of debentures as well.

Statutory Requirements. The Companies Acts do not provide for any specified form of register, though, for the most part, law stationers stock the books with suitable rulings. For companies of moderate dimensions. In any case, to comply with Section 25 of the Companies (Consolidation) Act, 1908, every company is compelled to keep in a book or books a register of its members. Such books are to show:—

(1) The names, addresses, and (if any) occupations or descriptions of its members, together with the holding of every member, each share to be distinguished by its number, the amount paid, or agreed to be considered as paid, on those shares.

(2) The date when each person is registered as a member.

(3) The date upon which any person ceases to be a member.

It is important to note here that in regard to (2) and (3) the date upon which a person is said to become a member is when an entry is made upon the register, so that actually if a man was to purchase shares which have been offered for subscription upon a given date, and his name does not appear upon the register until a month after, he is not in effect regarded as a member until such entry takes place. Similarly, where a person disposes of his holding in a company by deed of transfer, the entry is not made until a month after the completion of the deed and its registration in the register of transfers. If the entry into the register of members is delayed, the transferor does

not cease to be a member until such entry is made. It is obvious from this that undue delay in entering transactions into this important book may lead to very serious consequences. An exception can be made in regard to signatories to a memorandum of association, because in their case membership is deemed to commence actually from the moment the company receives its certificate of incorporation. It is usual, however, to enter the names of the signatories in the register in priority to others.

Inspection. Every company is required to keep its register of members open for a period of not less than two hours on each of its ordinary days of business. Inspection is to be allowed to members of the company gratuitously, and any member of the public may exercise the right to inspect the register on payment of a sum not exceeding 1s. If in the early stages of the company's career the register has not been completely written up, the members or the public may, upon the same terms, inspect the list of allotments. In addition to the right to inspect, any person may, upon request, obtain a copy of a portion of the register, including names, addresses, descriptions, or occupations of every member, and the number and descriptions of shares held by each. The company may demand a sum not exceeding 6d. per 100 words or part of 100 words, each figure counting as one word.

Severe penalties are attached to the non-observance of these provisions for the inspection of the register. If permission to inspect is withheld, the directors incur the liability to a penalty of £2, and a further penalty of £2 for every day whilst this permission is withheld. The company, is, however, liable for the penalties.

Closing of Registers. For the purpose of adjusting and agreeing the registers of members at such times as compiling the annual list and summary (*qv*), and for dividend lists, the Companies (Consolidation) Act, by Section 31, requires any company which may desire to do so to give notice by means of advertising in some prominent newspaper circulated in the district in which the company's registered office is situated. The Section further provides that the registers may be closed for a period or periods not exceeding thirty days in any one year.

Whilst the registers are so closed, no transfers will be received for registration, but it is customary with most companies to receive any transfers submitted for registration and give the usual form of receipt, but they will be held over until the registers are again opened, according to the date given in the prescribed announcement.

Trusts. A very important provision is contained in Section 27 of the Companies Act, which forbids the officials of any company to enter upon its register of members "any trust expressed, implied, or constructive", thus prohibiting the registration of any shares purporting to be held in trust for the estate of any deceased person; but where a shareholder dies and his holding in the company remains, an entry is made to the effect that his death occurred at such a time according to the probate of will or letters of administration which had been exhibited to the company's officials by the deceased's representatives. (See TRANSMISSION OF SHARES.)

Rectification of Register. If any person feels justified, in the absence of sufficient cause being shown to the contrary, it is permissible to apply to the court to have an entry made in the register or a name omitted

from it, as the case may be (Companies Act, 1908, Sec. 32).

Colonial Registers. If a company whose objects embodied in its memorandum of association provide for the carrying on of business in any given colony, and where provision is also made in the company's articles, it is permissible, by Sections 34, 35, and 36 of the Companies Act, 1908, to maintain a register of members which will contain only those shareholders resident in the particular colony in which the branch register is kept; but particulars of all entries made in such Colonial registers must be sent to the registered office of the company in the United Kingdom, and this should be done in time for inclusion in the annual list and summary to be deposited at Somerset House.

Statutory Provisions as to Registers. The provisions of the Companies (Consolidation) Act, 1908, as to other registers having been set out in full, it has been thought advisable to supplement the above by giving the exact words of the statute as to the register of members. They are as follows—

Register of Members.

"25.—(1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars—

"(i) The names and addresses, and the occupations, if any, of the members, and in the case of a company having a share capital a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

"(ii) The date at which each person was entered in the register as a member;

"(iii) The date at which any person ceased to be a member.

"(2) If a company fails to comply with this Section it shall be liable to a fine not exceeding five pounds for every day during which the default continues; and every director and manager of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Annual List of Members and Summary

"26.—(1) Every company having a share capital shall once at least in every year make a list of all persons who, on the fourteenth day after the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.

"(2) The list must state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and have ceased to be members respectively and the dates of registration of the transfers, and must contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars—

"(a) The amount of the share capital of the company, and the number of the shares into which it is divided

joint stock companies. He it is who gives out the certificate of incorporation, and this certificate is conclusive evidence that all the preliminaries have been complied with. Similarly his certificate of the registration of any charge or mortgage is conclusive evidence that all is in order.

The statutory requirements as to the registrar, contained in Section 243 of the Act of 1908, are as follows—

"(1) For the purposes of the registration of companies under this Act, there shall be offices in England, Scotland, and Ireland, at such places as the Board of Trade think fit.

"(2) The Board of Trade may appoint such registrars, assistant registrars, clerks, and servants as the Board think necessary for the registration of companies under this Act, and may make regulations with respect to their duties, and may remove any persons so appointed.

"(6) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Board of Trade, not exceeding one shilling for each inspection, and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar, on payment for the certificate, certified copy, or extract, of such fees as the Board of Trade may appoint, not exceeding five shillings for a certificate of incorporation, and not exceeding sixpence for each folio of a certified copy or extract, or in Scotland for each sheet of two hundred words.

"(7) A copy or extract from any document kept and registered at any of the offices for the registration of companies in England, Scotland, or Ireland, certified to be a true copy under the hand of the registrar or an assistant registrar (whose official position it shall not be necessary to prove) shall in all legal proceedings be admissible in evidence as of equal validity with the original document."

REGISTRATION OF BIRTHS AND DEATHS.—(See BIRTHS AND DEATHS, REGISTRATION OF.)
REGISTRATION OF BUSINESS NAMES.—(See BUSINESS NAMES ACT.)

REGISTRATION OF COMPANY.—The present article is devoted to the consideration of all the steps which are required to be followed by statute law, *i.e.*, the Companies (Consolidation) Act, 1908, in order to establish a joint stock company as a complete entity.

Preliminaries. Under various headings in the *Encyclopædia*, it will have been noticed what preliminary work is required to enable a company to have any chance of corporate existence. And in particular the work of the promoter (*q.v.*) requires most careful consideration. As soon as he has concluded all his arrangements preparatory to taking over an existing business or property, if the company to be formed is one which is intended to continue and to carry on an existing business or to acquire property, and when the memorandum and the articles of association have been properly prepared and each of these documents duly stamped with a ten shilling deed stamp, it is necessary for some person who is engaged in the work of the promotion to take the memorandum and the articles to the Registrar of Joint Stock Companies. If the company is domiciled (*q.v.*) in England, the place for

the presentation of these documents is at Somerset House, in London. Scotch companies are registered in Edinburgh, and Irish companies in Dublin. As to the memorandum and the articles it is to be borne in mind that although the former may be either written or printed, the latter must be printed. It then rests with the registrar, after an examination of the same, either to grant or to refuse a certificate of incorporation. The grant will be made if he is satisfied that everything is in order and that the proper fees have been paid. The deed stamp of 10s. for the memorandum and for the articles has just been referred to. In addition there is a fee stamp of 5s. which is payable upon the articles when they are handed in for registration, and a graduated fee payable on registration of the memorandum. (See *Variable Fees on Registration* in this article.)

If the company is an entirely new one, the preparation of the memorandum and the articles is all that is required as preliminary to registration. The promoter may be an utterly superfluous person.

In the early days of joint stock companies, the statutory requirements under the Companies Act, 1862, did not go beyond the necessity of producing the memorandum and the articles, and a notice as to the situation of the registered office of the company, but later Acts of Parliament and certain orders have made it imperative that other special forms should be produced, either at the time when registration is applied for or at some subsequent period. All these forms will be referred to in their proper order, and it may be incidentally mentioned that a stamp fee of 5s. is payable in respect of each of them. These various forms are procurable from the Registrar of Joint Stock Companies or from the usual law stationers. It is not necessary to refer to these in detail, though it may be mentioned that there is a special formal application to be made when incorporation is sought for a private company. A special form is then handed in together with the memorandum and the articles. Further, a company which is established to carry on the business of Life Insurance, or of insurance against Employers' Liability, must deposit a sum of £20,000 with the Accountant General of the Chancery Division of the High Court before application is made for registration, and the registrar cannot grant a certificate of incorporation until a receipt for the payment of this sum has been produced to him.

Effect of Registration. The effect of registration, when a certificate of incorporation (*q.v.*) has been granted is that a separate legal entity has been created, possessing all the rights and being subject to all the liabilities set out in the Act. And, when once a company has been established, it does not cease to exist until it goes through the process of being wound up (*q.v.*) or its name is removed from the register as a defunct company (*q.v.*).

Conclusiveness of Certificate of Incorporation. By the Companies Act, 1862, the issue of the certificate of incorporation was conclusive evidence that all the requirements of the Act with respect to registration had been complied with. In a well-known case the question was raised as to the conclusiveness of the certificate where it was clear that there had been irregularities committed of a very grave character. But although the court was of opinion that the conduct of the registrar had been most censurable, it was held that the company

had been duly constituted. It was said, "Parliament requires, for obvious purposes of public policy, that a company of this description should begin by seven or more persons subscribing a memorandum which is to be registered; and when once the memorandum is registered, and the company is held out to the world as a company undertaking business, willing to receive shareholders, and ready to contract engagements, then it would be of most disastrous consequence, if, after all that had been done, any person was allowed to go back and enter into an examination (it might be years after the company had commenced to trade) of the circumstances attending the original registration and of the regularity of the execution of the documents originally received by the registrar. The registrar, if he performs his duty carefully, will be the guardian of the public interest, by seeing that the memorandum is properly executed and properly brought for registration, but, whether he does so or not, when once the certificate of incorporation is given, nothing is to be inquired into as to the regularity of the prior proceedings." The conclusiveness of the certificate of incorporation has been further shown in various subsequent cases. Every person who deals with a joint stock company after its incorporation is now entitled to assume that everything has been done regularly, and is not prejudiced in any claim he may have against the company, unless it is proved that he was fully aware of any irregularity alleged against it.

Amendment of Law. As difficulties arose more than once with regard to the construction of the section referred to in the last paragraph, and in order to get rid of any doubts that might be felt regarding its meaning, further provision was made by the Companies Act, 1900, as to the conclusiveness of the certificate, and also as to the procedure on registration. These amendments are now incorporated in Sect. 17 of the Act of 1908, which has effectually set at rest the question of proper registration when certain formalities have been complied with. The section is as follows:—

"(1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Act.

"(2) A statutory declaration by a solicitor of the High Court, and in Scotland by an enrolled law agent, engaged in the formation of the company or by a person named in the articles as a director or secretary of the company of compliance with all or any of the said requirements shall be produced to the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance."

The date given in the certificate of incorporation is the true date of the birth of the company.

Form of Declaration. When application is made to register a company, it is now the practice for a statutory declaration to accompany the memorandum and the articles of association, setting out that the requirements of the Act have been complied with. The following is the common form which is in use—

"No. of Certificate.....

"The Companies Acts, 1908-1917

"**DECLARATION of Compliance with the requisitions of the Companies (Consolidation) Act, 1908, made pursuant to Sect. 17, Sub-section 2 on behalf of a Company proposed to be registered as the....**

.....

"Presented for filing by.....

"To the Registrar of Joint-Stock Companies.

"I,..... of..... do solemnly and sincerely declare that I am..... (here insert whether 'solicitor of the High Court,' 'director,' or 'secretary,' named in the articles of association) of the..... Company, Limited, and that all the requisitions of the Companies Acts in respect of matters precedent to the registration of the said company and incidental thereto have been complied with. And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1835.

"Declared at..... on.....

The person who makes the declaration signs it, and his signature must be witnessed in the same manner as an affidavit.

Return of Directors. Since the passing of the Companies Act, 1900, it has been necessary to file a return setting out who are the first directors of the company, and also another form on the part of the directors stating their willingness to act. The provisions of the Act of 1900, together with certain amendments contained in the Companies Act, 1907, have been repealed and replaced in practically the same form by Section 72 of the Act of 1908, which is as follows:—

"(1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company, or in any statement in lieu of prospectus filed by or on behalf of the company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has by himself or by his agent authorised in writing:—

"(a) Signed and filed with the registrar of companies a consent in writing to act as such director, and

"(b) Either signed the memorandum for a number of shares not less than his qualification (if any), or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any).

"(2) On the application for registration of the memorandum and articles of a company the applicant shall deliver to the registrar a list of the persons who have consented to be directors of the company, and if this list contains the names of any person who has not so consented the applicant shall be liable to a fine not exceeding fifty pounds.

"(3) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business."

The following forms are given as specimens which may be used in accordance with what has been stated in the foregoing paragraph—

"(b) The number of shares taken from the commencement of the company up to the date of the return ;

"(c) The amount called up on each share ;

"(d) The total amount of calls received ;

"(e) The total amount of calls unpaid ;

"(f) The total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures, since the date of the last return ;

"(g) The total number of shares forfeited ;

"(h) The total amount of shares or stock for which share warrants are outstanding at the date of the return ;

"(i) The total amount of share warrants issued and surrendered respectively since the date of the last return ;

"(k) The number of shares or amount of stock comprised in each share warrant ;

"(l) The names and addresses, nationality, and, if naturalised, the country of origin, of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called, and

"(m) The total amount of debt due from the company in respect of all mortgages and charges which are required (or, in the case of a company registered in Scotland, which, if the company had been registered in England, would be required) to be registered with the registrar of companies under this Act, or which would have been required so to be registered if created after the first day of July nineteen hundred and eight

"(3) The summary must also (except where the company is a private company) include a statement, made up to such date as may be specified in the statement, in the form of a balance sheet, audited by the company's auditors, and containing a summary of its share capital, its liabilities, and its assets, giving such particulars as will disclose the general nature of those liabilities and assets, and how the values of the fixed assets have been arrived at, but the balance sheet need not include a statement of profit and loss.

"(4) The above list and summary must be contained in a separate part of the register of members, and must be completed within seven days after the fourteenth day aforesaid, and the company must forthwith forward to the registrar of companies a copy signed by the manager or by the secretary of the company.

"(5) If a company makes default in complying with the requirements of this Section it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Trusts not to be Entered on Register.

"27 No notice of any trust, expressed, implied, or constructive, shall be entered on the register, or be receivable by the registrar, in the case of companies registered in England or Ireland

Registration of Transfer at Request of Transferor.

"28 On the application of the transferor

of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee

Transfer by Personal Representative.

"29. A transfer of the share or other interest of a deceased member of a company made by his personal representative shall, although the personal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

Inspection of Register of Members.

"30—(1) The register of members, commencing from the date of the registration of the company, shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during business hours (subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one shilling, or such less sum as the company may prescribe, for each inspection

"(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of sixpence, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied

"(3) If any inspection or copy required under this section is refused, the company shall be liable for each refusal to a fine not exceeding two pounds, and to a further fine not exceeding two pounds for every day during which the refusal continues, and every director and manager of the company who knowingly authorises or permits the refusal shall be liable to the like penalty, and as respects companies registered in England or Ireland, any judge of the High Court, or the judge of the court exercising the stamp duties jurisdiction in the case of companies subject to that jurisdiction, may by order compel an immediate inspection of the register

Power to Close Register

"31 A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole thirty days in each year "

REGISTER OF MORTGAGES.—For the protection of the general creditors and shareholders of limited companies, the Companies (Consolidation) Act, 1908 (Sec. 100), requires every company to keep a register of mortgages containing information of all mortgages and such charges which specifically affect any or all of the property of a company. A brief description of all the property so mortgaged is to be given in the register, as well as the amount of the mortgage raised, and, except where the debenture bonds are issued to bearer, the names of the mortgagees or persons representing them, such as, for instance, the trustees for a body of debenture holders.

All officers of the company who "knowingly and wilfully authorise or permit" any default in connection with the above requirements are liable to a

REGISTER OF MORTGAGES

Date and No of Board Minute Creat- ing Charge	Amount of Debentures	Date when filed at Somerset House	Particulars of Pro- perty upon which Charge is Made	Names of Mortgagees	Date when Charge is Removed.
Minute, No. 591 April 1, 19	£50,000 (500 bonds of £100 each, Nos. 1 to 500 inclusive)	April 15, 19	Freehold Property, situate at Dee Wharf, Liverpool (5 acres), and at Avonside Docks, Cirence (4 acres). River fronts in both cases.	Trustees for De- benture Holders : Sir Wm. Keke- wich, Baronet, and the Hon. Jas. DeLamoy.	

penalty of not exceeding £50, that is, they are severally liable, not jointly. The register is open to the inspection of any person on payment of a fee not exceeding 1s. for each inspection, and any creditor or member of the company is entitled to examine the copies of the instruments creating any mortgage without payment of a fee. The register is to be open for inspection at all reasonable times. In other words, it may be inspected during the ordinary business hours of the company. For refusing inspection of either the register or copies of the instruments, any officer so refusing or authorising such refusal incurs the liability of a fine not exceeding £5, and a further fine not exceeding £2 for every day whilst such refusal continues. Any judge of the High Court sitting in Chambers has power to order the immediate inspection of the registers or copies of the above named documents.

The register of mortgages itself is generally compiled in a form approved of by the authorities and sold at most of the law stationers, and properly bound to withstand rough usage.

If no trust deed is relied to cover a series of debentures, it becomes necessary to enter into the register each of the bonds under their numerical rotation, but, as a general rule, it will be found that a series in circulation will invariably be covered by a trust deed, in which case it merely becomes necessary to enter in the particulars contained in the deed, setting out the date and number of the minute creating the charge, the amount of the debentures in full, the nominal amount of each of the bonds representing the series, and the date when filed with the registrar of joint stock companies. Particulars of the property or assets of the company must also be given as fully, yet as concisely, as possible. If freehold property is comprised under the property charge, the situation or situations of the property should be noted, finally, the names of the mortgagees or the trustees for the mortgagees must be given in the manner shown above.

REGISTER OF SHIPS.—(See SHIP MORTGAGE.)

REGISTER OF TRANSFERS.—(See TRANSFER REGISTER.)

REGISTRAR IN BANKRUPTCY.—This important official occupies a prominent place in all bankruptcy proceedings, whether he is attached to the High Court or is a registrar appointed to one of the districts in the provinces. His position is dealt with in Section 102 of the Bankruptcy Act, 1914, as follows—

"(1) The registrars in bankruptcy of the High Court, and the registrars of county courts having jurisdiction in bankruptcy, shall have the powers and jurisdiction in this section mentioned, and any order made or act done by such registrars in the exercise of the said powers and jurisdiction shall be deemed the order or act of the Court.

"(2) Subject to general rules limiting the powers conferred by this section, a registrar shall have power—

"(a) To hear bankruptcy petitions, and to make receiving orders and adjudications thereon;

"(b) To hold the public examination of debtors;

"(c) To grant orders of discharge where the application is not opposed;

"(d) To approve compositions or schemes of arrangement when they are not opposed;

"(e) To make interim orders in cases of urgency;

"(f) To make any order or exercise any jurisdiction which by any rule in that behalf is prescribed as proper to be made or exercised in chambers;

"(g) To hear and determine any unopposed or *ex parte* application;

"(h) To summon and examine any person known or suspected to have in his possession effects of the debtor or to be indebted to him, or capable of giving information respecting the debtor, his dealings, or property.

"(3) The registrars in bankruptcy of the High Court shall also have power to grant orders of discharge and certificates of removal of disqualifications, and to approve compositions and schemes of arrangement.

"(4) A registrar shall not have power to commit for contempt of court.

"(5) The Lord Chancellor may, by order direct that any specified registrar of a county court shall have and exercise all the powers of a bankruptcy registrar of the High Court." (See BANKRUPTCY.)

REGISTRAR OF COUNTY COURT. This is the official who is responsible for the routine work of the county court, and who acts, to a certain extent, as an assistant judge. (See COUNTY COURT.)

REGISTRAR OF JOINT STOCK COMPANIES.—This is the head official who presides over the department which deals with all matters concerning

1 LIST OF PERSONS WHO HAVE CONSENTED TO ACT AS DIRECTORS

"No of Certificate . . .
 "Companies Acts, 1908-1917.
 "LIST OF PERSONS who have consented to be Directors of the . . . Company, Limited, to be delivered to the Registrar pursuant to sect 72 (2) of the Companies (Consolidation) Act.
 "Presented for filing by . . .
 "To the Registrar of Joint Stock Companies
 "I (or we), the undersigned, hereby give you notice pursuant to Sect 72 (2) of the Companies (Consolidation) Act, 1908, that the following persons have consented to be Directors of the . . . Company, Limited."

Here follow the names, addresses, and descriptions of the various persons in separate columns, together with the signature, address, and description of the applicant for registration and the date

2 CONSENT TO ACT AS DIRECTOR

"No of Certificate
 "Companies Acts, 1908-1917
 "CONSENT to act as Director of the Company, Limited, to be signed and filed pursuant to Sect 72 (1) of the Companies (Consolidation) Act
 "Presented for filing by . . .
 "To the Registrar of Joint Stock Companies
 "I (or we), the undersigned, hereby testify my (or our) consent to act as Director(s) of the . . . Company, Limited, pursuant to Sect 72 (1) of the Companies (Consolidation) Act, 1908."

The signatures, addresses, and descriptions follow as before, and the form must be dated.

It will have been noticed that Sect 72, Sub-section 3, provides two exceptions to the general rule stated above, but where the company is a private company, a form is required by the registrar when an application is made for incorporation. The following is the one in general use.

3 DECLARATION BY SUBSCRIBER THAT PUBLIC SUBSCRIPTIONS ARE NOT INVITED

"Certificate No . . .
 "Companies Acts, 1908-1917
 "Company Limited by Shares
 "APPLICATION for a certificate of incorporation to be filed by a Company which does not issue any invitation to the public to subscribe for its shares

"Name of proposed Company
 "Presented for filing by . . .
 "APPLICATION by the subscribers to the Memorandum of Association of the Company Limited, being a Company, such as is specified in Sect 121 of the Companies (Consolidation) Act, 1908, and which does not issue any invitation to the public to subscribe for its shares, for a Certificate of Incorporation as a Limited Company under the Companies (Consolidation) Act, 1908.

"We, the several persons whose names are subscribed, hereby declare that the . . . Company, Limited, whose memorandum of association is delivered herewith, does not issue any invitation to the public to subscribe for its shares."

Here, again, follow the names, addresses, and descriptions of the subscribers; the signatures are witnessed and the date is added. It would appear that a similar form is necessary in the case of a company limited by guarantee.

Owing to the passing of the Registration of Business Names Act, 1916 (q.v.), it was felt necessary by the Legislature to impose obligations of a similar

character to those contained in that Act upon the directors of joint stock companies. Consequently, an Act was passed in 1917, the Companies (Particulars as to Directors) Act, the text of which is set out in the article on DIRECTORS.

Statement of Capital. By Sect. 112 of the Stamp Act, 1891, as amended by Sect. 7 of the Finance Act, 1899, it is now necessary also to file a form containing a statement as to the nominal share capital of the company. The statement is to be signed by the person who applies for the registration of the company, or by an officer of the company. The statement is very simple, and, excluding the formal headings, is as follows:—

"The nominal capital of the . . . Company, Limited, is £ . . ., divided into . . . shares of £ . . . each."

Registered Office. In addition to the statutory requirements that the part of the United Kingdom in which it is intended that the proposed company shall carry on its business shall be stated in the memorandum of association, a notice of the exact situation of the registered office must also be filed with the registrar, as well as a notice of any subsequent change in its situation which may take place. This notice is to be filed when the company commences business, but it is the general practice to file it at the same time as the memorandum and the articles. The notice requires, like all the other forms, a five shilling stamp, and any notice of change is similarly charged. The following is the form used:—

"To the Registrar of Joint Stock Companies
 "The . . . Company, Limited, hereby give you notice, in accordance with the Companies (Consolidation) Act, 1908, that the registered office of the said Company is situated at No . . . Street, in the city of . . .
 "Dated the . . . day of . . . 19 . . .
 "For the . . . Company, Limited."

Any change of the registered office may be signified as follows:—

"To the Registrar of Joint Stock Companies
 "The . . . Company, Limited, hereby give you notice, in accordance with the Companies (Consolidation) Act, 1908, that the registered office of the Company is changed from No . . . Street, in the city of . . ., to No . . . Street, in the said city (or elsewhere as the case may be).
 "Dated the . . . day of . . . 19 . . .
 "For the . . . Company, Limited."

Signature of Forms. Each of these forms may be signed by any person who has legal authority to do the same on behalf of the company, such as a director, a subscriber of the memorandum of association, or the secretary of the company. The person who does so sign must give a description of himself and also of the capacity in which he signs.

Registration of Existing Companies. The methods to be adopted in the case of registration above noted are those which have reference entirely to new companies. If a company was in existence before the Companies Act, 1862, it may be registered under the Act of 1908, if it consists of seven or more members, and similarly, certain other companies formed after November, 1862, may register under the Act of 1908. The last named Act has a section, viz., Section 219, dealing

with the companies which are capable of being registered, and it runs as follows—

"249—(1) With the exceptions and subject to the provisions mentioned and contained in this section—

(i) Any company consisting of seven or more members, which was in existence on the second day of November eighteen hundred and sixty-two, including any company registered under the Joint Stock Companies Acts; and

(ii) Any company formed after the date aforesaid, whether before or after the commencement of this Act, in pursuance of any Act of Parliament other than this Act, or of letters patent, or being a company without the stamp, or being otherwise duly constituted by law, and consisting of seven or more members

may at any time register under this Act as an unlimited company, or as a company limited by shares, or as a company limited by guarantee; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up.

"(2) Provided as follows—

"(a) A company having the liability of its members limited by Act of Parliament or letters patent, and not being a joint stock company as hereinafter defined, shall not register in pursuance of this section;

"(b) A company having the liability of its members limited by Act of Parliament or letters patent shall not register in pursuance of this section as an unlimited company or as a company limited by guarantee;

"(c) A company that is not a joint stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares;

"(d) A company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the regulations of the company) at a general meeting summoned for the purpose;

"(e) Where a company not having the liability of its members limited by Act of Parliament or letters patent is about to register as a limited company, the majority required to assent as aforesaid shall consist of not less than three-fourths of the members present in person or by proxy at the meeting;

"(f) Where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and for the costs and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding a specified amount.

"(3) In computing any majority under this section when a poll is demanded regard shall be had to the number of votes to which each member is entitled according to the regulations of the company.

"(4) A company registered under the Companies Act, 1862, shall not be registered in pursuance of this section."

The registration of an existing company is not invalid by reason of the fact that it has taken place with a view to the company being wound up.

Fixed Fees on Registration. The question of the cost of registering a company is always an important one, and the whole of the matters touching the expense in general will be here considered together, so that it may be possible to see at a glance what is the exact amount required, and also that a general idea may be gathered of the subsequent expenses which may be entailed in the shape of fees, etc., after the registration has taken place. The fixed fees are the deed stamp of ten shillings each upon the memorandum and the articles, and an additional fee of five shillings upon the latter for registration. These amounts, therefore, to £15., but if a company is registered without articles of association, fifteen shillings will be saved. Upon each of the other documents which have to be filed there is a fee stamp of five shillings imposed. It will have been noticed that there are four forms essential in the case of a private company, and five in the case of a public company.

Variable Fees on Registration. In addition to the fixed fees stated above, there are certain variable fees which are payable on registration, that is, at the time when the various necessary documents are presented to the registrar, and these depend upon the amount of the nominal capital of the company. These fees are paid into the Exchequer and are set out in Table B of the first schedule of the Act, though the amount may be reduced from time to time as the Board of Trade may direct.

They are as follows—

By a Company having a Share Capital.

For registration of a company whose nominal share capital does not exceed £8,000

For registration of a company whose nominal share capital exceeds £2,000, the following fees, regulated according to the amount of nominal share capital (that is to say)—

	£ s d
For every £1,000 of nominal share capital or part of £1,000 up to £5,000	1 0 0
For every £1,000 of nominal share capital or part of £1,000, after the first £5,000 up to £100,000	5 0
For every £1,000 of nominal share capital, or part of £1,000, after the first £100,000	1 0

For registration of any increase of share capital made after the first registration of the company, the same fees of £1,000 or part of £1,000 as would have been payable if the increased share capital had formed part of the original share capital at the time of registration.

Provided that no company shall be liable to pay in respect of nominal share capital, on registration or afterwards, any greater amount of fees than £50, taking into account in the cases of fees payable on an increase of share capital after registration the fees paid on registration.

for registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company	£ s. d.
for registering any document by this Act required or authorised to be registered, other than the memorandum or the abstract required to be filed with the registrar by a receiver or manager or the statement required to be sent to the registrar by the liquidator in a winding-up in England	0 5 0
or making a record of any fact by this Act required or authorised to be recorded by the registrar	0 5 0

Until after the passing of the Stamp Act, 1891, there was no duty payable beyond the fee stamp on the memorandum, varying from £2 to £50, but, by the Act just mentioned an *ad valorem* duty of 50 shillings per cent. was imposed in addition to the registration fee stamp, and the *ad valorem* duty as subsequently increased by the Finance Act, 1899, to one of five shillings per cent., and by the Finance Act, 1920, to £1 per cent. It will be noted that the maximum of £50 is reached in respect of the fee stamp when the nominal capital is £25,000, and no matter how great the nominal capital may be this cannot be exceeded. The *ad valorem* duty, on the contrary, is unlimited in extent.

Fees for Companies not Limited by Shares. When a company does not have a share capital, that is, when it is a company limited by guarantee, when it is unlimited, the fees payable upon registration vary according to the number of the members. These are fully set out in the second part of the Table B of the first schedule, and are as follows:—

<i>By a Company not having a Share Capital.</i>	
for registration of a company whose number of members as stated in the articles does not exceed twenty	£ s. d. 2 0 0
or registration of a company whose number of members as stated in the articles exceeds twenty, but does not exceed one hundred	5 0 0
or registration of a company whose number of members as stated in the articles exceeds one hundred, but is not stated to be unlimited, the above fee of £5 with an additional 5s. for every fifty members or less number than fifty members after the first hundred	
or registration of a company in which the number of members is stated in the articles to be unlimited	20 0 0
or registration of an increase on the number of members made after the registration of a company in respect of every fifty members, or less than fifty members, of that increase	0 5 0
provided that no company shall be liable to pay on the whole a greater fee than £20, in respect of its number of members, taking into account the fee paid on the first registration of the company	

For registration of any existing company, except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.

For registering any document by this Act required or authorised to be registered, other than the memorandum or the abstract required to be filed with the registrar by a receiver or manager or the statement required to be sent to the registrar by the liquidator in a winding-up in England

For making a record of any fact by this Act required or authorised to be recorded by the registrar

Acts after Registration. The above are the whole of the requirements necessary and a complete statement of the amount of fees payable up to the time of completing the registration and receiving from the registrar the certificate of incorporation. If the registrar is satisfied that everything is in order and that the fees have been paid, he grants the certificate, and the company is incorporated as before stated. If it is a private company (*qv*) it may commence business at once, but if the company intends to go to the public and apply for subscription to its shares, there are other preliminaries necessary before it can set about its work. (See COMMENCEMENT OF BUSINESS.)

Additional Documents. After the registration of a company, each document that has to be filed with the registrar, and each return that has to be made, must bear a five shilling stamp. In addition to the notice of the change of address (if any) of the registered office, to which reference has been already made, the principal documents and returns are the annual returns of capital and members, the declaration by a public company before commencing business or exercising borrowing powers, the returns of allotments of shares, the report prior to the statutory meeting, the contract for the issue of fully paid and partly paid shares, the memorandum of the satisfaction of charge (with an additional 2s. 6d. stamp on the declaration which must accompany the same), the consent of the Board of Trade to change the name of the company, the notice of consent to take the name of an existing company, a copy of an altered memorandum of association, a minute of reduction of capital, a copy of order of court on various matters connected with the company, and also the various documents which have come into use since the 1st July, 1908. All these matters are referred to under separate headings.

REGISTRATION OF DEBENTURES.—(See DEBENTURES.)

REGISTRATION OF DESIGNS. The protection of designs was first accorded by Parliament in 1787, the period granted to the designer of an original and new design for linens, cottons, calicoes and muslins being three months. The period has been prolonged by various statutes and the principle applied to other forms of manufacture. The law as to design and its protection when registered is contained in a series of Acts commencing with the Patents, Designs and Trade Marks Act, 1883. It now extends to any design applicable to any article of manufacture or to any substance artificial or natural to which a design is applicable either by way of pattern, shape, configuration or ornament. The design may be applied by printing, painting,

embroidering, weaving, sewing, modelling, casting, embossing, engraving or staining, indeed in any way except by sculpture, to which the Copyright Act extends. The proprietor of the design (*i.e.*, the designer or person for whom the design was executed for value) may obtain protection for the design by registration at the Patent Office, the protection extending to the class of goods in respect of which it is registered for a period of five years from registration. Registered designs are not open to inspection until the copyright expires and they are protected from piracy by penalties recoverable by the registered proprietor.

REGISTRATION OF MORTGAGES.—Every joint-stock company is now bound to keep a register of all mortgages or charges specifically affecting its property, and any creditor or member of the company is entitled to inspect the same without charge. Any other person may inspect upon payment of a fee not exceeding one shilling. Also the registrar of companies keeps a register in which are entered all mortgages and charges. This register is kept at Somerset House and is also open to inspection upon payment of a fee not exceeding one shilling.

The sections of the Companies (Consolidation) Act, 1908, affecting the registration of mortgages and charges are as follows:—

Registration of Mortgages and Charges.

"93—(1) Every mortgage or charge created after the first day of July, nineteen hundred and eight by a company registered in England or Ireland and being either—

"(a) a mortgage or charge for the purpose of securing any issue of debentures, or

"(b) a mortgage or charge on uncalled share capital of the company, or

"(c) a mortgage or charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale, or

"(d) a mortgage or charge on any land, wherever situate, or any interest therein, or

"(e) a mortgage or charge on any book debts of the company, or

"(f) a floating charge on the undertaking or property of the company,

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, are delivered to or received by the registrar of companies for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section the money secured thereby shall immediately become payable;

"Provided that—

"(i) in the case of a mortgage or charge created out of the United Kingdom comprising solely property situate outside the United Kingdom, the delivery to and the receipt by the registrar of a copy of the instrument by which the mortgage or charge is created or evidenced, verified in the prescribed manner, shall have the same effect for the purposes of this section as

the delivery and receipt of the instrument itself, and twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in the United Kingdom, shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be delivered to the registrar; and

"(ii) where the mortgage or charge is created in the United Kingdom but comprises property outside the United Kingdom, the instrument creating or purporting to create the mortgage or charge may be sent for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate, and

"(iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts, and

"(iv) the holding of debentures entitling the holder to a charge on land shall not be deemed to be an interest in land

"(2) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the first day of July, nineteen hundred and eight, and requiring registration under this section, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

"(3) Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture holders of that series are entitled *pari passu* is created by a company, it shall be sufficient if there are delivered to or received by the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series the following particulars:—

"(a) the total amount secured by the whole series, and

"(b) the dates of the resolutions authorising the issue of the series and the date of the covering deed, if any, by which the security is created or defined, and

"(c) a general description of the property charged, and

"(d) the names of the trustees, if any, for the debenture holders,

together with the deed containing the charge, or, if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register;

"Provided that, where more than one issue is made of debentures in the series, there shall be sent to the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

"(4) Where any commission, allowance, or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be sent for registration under this section shall include particulars as to the amount or rate per cent. of the commission, discount, or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

"Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

"(5) The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of this section, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of this section as to registration have been complied with.

"(6) The company shall cause a copy of every certificate of registration given under this section to be indorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered:

"Provided that nothing in this subsection shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be indorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

"(7) It shall be the duty of the company to send to the registrar for registration the particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under this section, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

"Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

"(8) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one shilling for each inspection.

"(9) Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under this section to be kept at the registered office of the company.

"Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

Registration of Enforcement of Security.

"94—(1) If any person obtains an order for the appointment of a receiver or manager of the property of a company, or appoints such a receiver or manager under any powers contained in any instrument, he shall within seven days from the date of the order or of the appointment under the powers contained in the instrument give notice of the fact to the registrar of companies, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

"(2) If any person makes default in complying with the requirements of this section he shall be liable to a fine not exceeding five pounds for every day during which the default continues.

Filing of Accounts of Receivers and Managers.

"95—(1) Every receiver or manager of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession shall, once in every half year while he remains in possession, and also on ceasing to act as receiver or manager, file with the registrar of companies an abstract in the prescribed form of his receipts and payments during the period to which the abstract relates, and shall also on ceasing to act as receiver or manager file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

"(2) Every receiver or manager who makes default in complying with the provisions of this section shall be liable to a fine not exceeding fifty pounds.

Rectification of Register of Mortgages.

"96 A judge of the High Court, on being satisfied that the omission to register a mortgage or charge within the time hereinbefore required, or that the omission or misstatement of any particular with respect to any such mortgage or charge, was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the judge just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or misstatement be rectified.

Entry of Satisfaction.

"97 The registrar of companies may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall, if required, furnish the company with a copy thereof.

Index to Register of Mortgages and Charges.

"98 The registrar of companies shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

Penalties.

"99—(1) If any company makes default in sending to the registrar of companies for registration the particulars of any mortgage or charge created by the company, and of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every director, manager, secretary, or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding fifty pounds for every day during which the default continues.

"(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company,

the company and every director, manager, and other officer of the company, who knowingly and wilfully authorised or permitted the default shall, without prejudice to any other liability, be liable on summary conviction to a fine not exceeding one hundred pounds.

"(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act, without a copy of the certificate of registration being indorsed upon it, he shall, without prejudice to any other liability, be liable on summary conviction to a fine not exceeding one hundred pounds.

Company's Register of Mortgages.

"100—(1) Every limited company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

"(2) If any director, manager, or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding fifty pounds.

Right of Inspection.

"101—(1) The copies of instruments creating any mortgage or charge requiring registration under this Act with the registrar of companies, and the register of mortgages kept in pursuance of the last foregoing section, shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one shilling for each inspection, as the company may prescribe.

"(2) If inspection of the said copies or register is refused any officer of the company refusing inspection and every director and manager of the company authorising or knowingly and wilfully permitting the refusal shall be liable to a fine not exceeding five pounds, and a further fine not exceeding two pounds for every day during which the refusal continues, and in addition to the above penalty as respects companies registered in England or Ireland, any judge of the High Court sitting in chambers, or the judge of the court exercising the stamp-duty jurisdiction in the case of companies subject to that jurisdiction, may by order compel an immediate inspection of the copies or register." (Sec. REGISTER OF MORTGAGES.)

REGISTRATION OF TITLE.—For a great number of years efforts have been made to bring about some system of registration of title, whereby it would be possible for any person to obtain full particulars as to the ownership of land as well as to any dealings with it. On the part of the landowners there has been much opposition to any scheme of this kind, as it would enable the public generally to pry into their private affairs. A great advance in this direction was made by the passing of the Land Transfer Act, 1897, one of the objects of which was to make the registration of land compulsory. But the provisions of the Act are such as to make registration quite optional. No land in any county is affected unless an Order in Council

has been made to that effect. Nothing can be done in the direction of registration unless the county council of any county decides in favour of registration at a special meeting of the council by a two-thirds majority. The Act, as far as registration is concerned, is operative for the whole county of London. All ordinary sales of freeholds, all sales of leaseholds, having forty or more years still to run, or two or more lives still to fall in, and grants of leases or underleases for the same periods, are to be registered. But registration does not apply to a lease created for mortgage purposes, or containing an absolute prohibition against alienation.

The procedure on registration is as follows: The applicant or his solicitor attends the registry with the deeds relating to the property, and a copy of the same, written on stout paper, for filing. A plan must also be produced. The land is identified on a large scale Ordnance map kept at the registry, and the draft entries for the register are prepared and settled. A land certificate is then drawn up and forwarded to the applicant or his solicitor. The register is private, and no examination can be made except with the authority of the registered owner, or on notice to him. The offices of the Land Registry are at 34 Lincoln's Inn Fields, but the business of registration is carried on at 6 Portugal Street, and 3 Clement's Inn, for the portions of the county of London lying north and south of the Thames respectively.

REGISTRATION OF TRANSFERS.—(See TRANSFER OF SHARES.)

REGRET, LETTER OF.—When a company, in response to its offer of shares, receives applications for a greater number than it can allot—in other words, when the issue is over-applied for—it is necessary to inform the unsuccessful applicants that their applications cannot be accepted, and the letter used in this connection is called a Letter of Regret. It expresses the regret of the directors that they have been unable to allot any shares to the person to whom it is addressed, and returns the amount of his deposit. The following is the usual form of Letter of Regret:—

Sir,

I am desired to express the regret of the directors that they are unable to allot to you any Shares in this Company in response to your application dated _____

I enclose an order on the Company's Bankers for _____ *(being the amount of your deposit), and shall be glad if you will sign the form of Receipt at foot hereof and present the cheque for payment with the original Bank Receipt attached thereto. No other acknowledgment is necessary.*

Yours faithfully,

Secretary

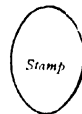
No. _____ London _____ 19____
To Messrs _____ & Co., Bankers,
_____, Cornhill, London

Pay to _____ Esq., on order,
on the Receipt at foot hereof being signed,
the sum of _____ pounds

For and on behalf of The _____ Co., Ltd

Director

Secretary



RECEIPT.

RECEIVED from The ----- Company,
 £11, the sum of ----- pounds being the deposit
 paid by me on an application for ----- shares.

£----- Stamp. -----

RE-IMBURSE.—The literal meaning of this word is to put back into a purse. Consequently it has come to signify repayment.

REINDEER.—A species of deer found in the Arctic regions of both hemispheres. The domesticated variety is common in Norway, Lapland, and Siberia. It is used as a beast of burden, and for riding purposes. Its skin supplies clothing and coverings of all sorts, the flesh is made into pemmican (*qv*), the antlers (*qv*) serve a variety of purposes, and the tongues are tinned for local consumption and for exportation, Russia being the country chiefly engaged in the export trade. Caribou is another name for reindeer, but it is generally confined to the American species.

REINDEER MOSS.—A lichen which grows abundantly in the most northerly regions of Europe and America. It forms the chief food of the reindeer. In Britain it is used as the groundwork on which stuffed birds are exhibited, and in Scandinavia it is sometimes employed as a filling for cushions, etc.

RE-INSURE.—To insure a second time. With the increasing volume of insurance, and particularly with the insurance of great and valuable concerns, any one company which took up the insurance alone might be seriously involved in case of loss or damage. Consequently it is the practice of insurance offices to distribute their liabilities as widely as possible by reinsuring in other offices, and then the amount of the loss is much lessened. It will be obvious that this is the only way in which insurance companies could hope to exist, when a loss by fire, say, of millions of pounds is suddenly sustained. Every insurer has an insurable interest in the risk which he has undertaken. The original liability of the insurer to the person insured is in no way affected by the reinsurance.

REIS.—(See FOREIGN MONIES.—BRAZIL, PORTUGAL, SOUTH AFRICA.)

RE-ISSUE.—The word "re-issue" has a legal and also a commercial significance and implies that a document that has already been in use and has come back into the hands of the person from whom it originated or who has already held it as his own, may be used again provided that its legal life has not ended. The term is applied to the continued negotiation of a bill of exchange which has come again into the hands of a holder for value before maturity. Such holder may "re-issue" but the re-issue has the effect of releasing intermediate holders from further liability.

Debentures may be re-issued by a company after they have been redeemed provided the redemption was not a compulsory one, *i.e.*, not due to the term of the debenture having expired. A company must comply with the provisions of Section 104 of the Companies (Consolidation) Act, 1908, if it desires to re-issue debentures, *i.e.*, the articles and the

conditions of original issue must not forbid re-issue and the redemption must not be in pursuance of any obligation on the company to redeem. Lastly, in redeeming the company must act in pursuance of a power to keep the debentures alive for the purpose of re-issue.

RE-JOINDER.—(See PLEADINGS.)

RE-LEASE.—To grant a new lease. Prior to 1845 a re-lease played an important part in one of the forms of transfer of real estate, known as "lease and re-lease," but since the year just mentioned land has been transferred by a deed of grant generally called a conveyance.

RELEASE.—This word is often used to denote the liberation of a person from the liability imposed upon him in any way by the act of some other person, in particular the person to whom he is bound.

Several illustrations of a release may be given. Thus, when there has been a breach of contract, the person who has a right of action may refuse to enforce it, or he may waive it. The other party to the contract, *i.e.*, the person who is guilty of the breach, is then released. But in order that a release of this character may be legally effective, unless there is such a lapse of time that the Statutes of Limitations (*qv*) apply, the release must be by deed, since otherwise there is no consideration for the presumed agreement not to sue. There is, however, an exception to this in the case of a bill of exchange. By the Bills of Exchange Act, 1882, section 62, it is provided: "When the holder of a bill at or after its maturity absolutely and unconditionally renounces his rights against the acceptor, the bill is discharged. The renunciation must be in writing, unless the bill is delivered up to the acceptor. The liabilities of any party to a bill may in like manner be renounced by the holder before, at, or after its maturity, but nothing in this section shall affect the rights of a holder in due course, without notice of the renunciation."

A release is of importance in the case of trusts imposed under a will or a settlement. When all the trusts imposed have been fulfilled, the trustee is entitled to receive a formal release from all the beneficiaries who have received their full interests in the estate comprised in the will or the settlement. Also when an executor has carried out all his duties, he should have a release from the residuary legatee, freeing him from any further liability or responsibility in connection with the estate.

In bankruptcy and in the winding up of companies, the Board of Trade grants a release to the trustee in bankruptcy or to the liquidator of the company on the completion of the bankruptcy proceedings or the winding up, as the case may be. The trustee or the liquidator must make a special application for release, and the Board of Trade will only grant it if the accounts are in order and the administration has been properly carried out. The trustee or the liquidator must also give notice of his intention to apply for his release to the creditors of the bankrupt or the company, so that their interests may be properly protected.

REMAINDER.—In wills and settlements property is often devised or bequeathed to a person or persons for life and afterwards to some other person or persons. The first-named then enjoy a life interest, *i.e.*, they are entitled to the benefits arising from the property in the shape of rents, interest, etc., during their life-time, but they

cannot, except in so far as they are empowered to do so under the will or settlements, affect in any way the destination of the property after their decease. What remains after the death of those possessing a life interest is called a "remainder," and this is the estate in expectancy which a person enjoys—in point of fact he may be in the actual enjoyment of nothing—during the life-time of the beneficiary or beneficiaries prior to himself. Thus, an estate is devised to A for life, and after the death of A to B in fee simple. A is the tenant for life, and so long as A lives B has an estate in remainder, which becomes an estate of fee simple in possession when A is dead.

A remainder is sometimes made to depend upon a contingency. Thus, taking the above example, the estate may be devised to B conditionally upon his attaining the age of twenty-one. So long, then, as B is under that age, it is not certain that he will ever succeed to the property, and the remainder is known as a contingent remainder, but as soon as the prescribed age is reached, the contingent remainder becomes changed from a chance to a certainty, and in legal language what was before a contingent remainder is now a vested remainder.

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money order, postal order or otherwise. A remittance is inward or outward according as it is received by or despatched from any particular house.

REMITTED ACTION.—Although there has been an increasing tendency to give more and more extensive jurisdiction to the county courts, and most actions in which the claim made does not exceed £100 must necessarily be commenced there (unless there is some very good reason to the contrary), there are certain cases which can only be commenced in the High Court, *e g*, libel, slander, and breach of promise of marriage. The prosecution of a case in the High Court is a much more serious matter than it is in the county court, and it will sometimes be obvious that the plaintiff's financial position is such that there is not the slightest possibility of his being able to pay the costs of the action if he is unsuccessful and the costs are given against him. In such a case, as well as under certain other conditions, such as the convenience of the witnesses, *etc.*, it is a common practice to apply to a master of the High Court upon summons to have the case sent for trial in some local county court. If the application is granted the action is said to be remitted, and the whole proceedings are conducted as though the case had, in fact, been commenced in the county court. Not only is there a saving of expense in many instances when an action is remitted, but in all probability the trial will come on much more quickly than if it had been left in the High Court.

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Profit-sharing, as a modification of the wages system, is discussed under that title. (See also the article on CO-PARTNERSHIP.) Undoubtedly good and steady workmen are attracted by the hope of extra gain through an addition to the market rate of wages; and their energy and capacity may well enable the employer to pay them a bonus without loss to himself. Still, the system has its drawbacks. Here, however, we limit our discussion to variations of the wages system, the system, that is, under which the workman has payments *guaranteed* to him and not *contingent* on circumstances out of his control.

The great division of methods of payment is into *Time-Wages* and *Piece-Wages*, and of these the first is the matter of supreme importance to the workman, the second to the employer. The workman's interest lies in earning as much as possible in the shortest time; the employer's interest lies in obtaining as large an output as possible at the least expense. When the degree of education and training required from a workman is such that he himself directs his labour in a large measure, the time-wage is called a salary, the piece-wage is called a fee. The teacher, whose employment is continuous,

receives a salary; the lecturer, who is hired to deliver a course of addresses, obtains a fee.

Certain general considerations with regard to choice of method are obvious. If the workman is paid by the time he takes, he may be trusted to do his work as well as he knows; no workman cares to turn out slovenly or defective work. The employer has to see to the quantity. If the workman is paid according to his output, there is a strong incentive to sacrifice quality to quantity. The employer has to see to the quality. In the first case, supervision is needed to see that work is being done; in the second, to verify that it has been done. Yet there is a connection between the methods. In time-wages there is an implied bargain that a certain amount shall be produced in a given time; in piece-wages it is understood that the work shall be accomplished within a limited period. When expensive plant, subject to rapid depreciation, is being operated by the workman, it is clearly the interest of the employer to have it worked at its full capacity. He will, therefore, to bring out the best efforts of the workman, put a premium on efficiency. He will pay at a higher than the ordinary piece-rate work done in excess of a defined amount. The efficient workman who makes the same factory space, plant, and direction serve for twice as much production as the inefficient one, is worth more than twice as much wages. Provided that he does not overstrain himself and work himself out prematurely, "gain-sharing" is of value to the workman also. There is a pleasure in skilled and congenial work apart from the monetary reward for the work; no hardship is so grievous to a good workman as that of being prevented from exercising his trade, and to prevent him from doing his best at it is grievous too.

Piece-payment is applicable only in work where the product is definite and simple, and can easily be inspected—where the output is so many yards of cloth, or tons of rails, or of coal. It is quite out of the question when the work is done in conjunction with a number of other workmen; and when, therefore, the part one man performs is hard to ascertain. Collective piece-work is, however, sometimes employed. It is also inapplicable when the point of supreme importance is the goodness of the work, when a man must be given every incentive to produce work of the highest grade. The work of a machinist cannot be inspected quickly and surely.

"An engineering establishment will have in use a long array of different types of planing, drilling, boring, slotting, and milling machines, together with a bewildering variety of applications of the old-fashioned lathe. The precise degree of skill and trustworthiness required to work each of these machines, or even to execute different jobs upon one of them is infinitely varied. The simple drilling machine or the automatic lathe, continuously turning out identical copies of some minute portion of an engine, can be tended by a mere boy. Some work executed on an elaborate milling machine, on the other hand, taxes the powers of the most accomplished mechanic." The mechanic, therefore, is paid by the day; his output is left to his own conscience, or the keenness of the foreman. If collective piece payments are made, the men responsible for the product are formed into a group, and the payment divided among them on some established basis. Usually, however, the employer will make his payment to one workman, who will engage helpers and himself pay them, either by time or by piece. Thus, in a rolling mill, the roller alone will

have dealings with the employer; he will pay the under-rollers according to tonnage, and the labourers by the day; he acts, that is, as a sub-contractor.

An extension of payment by piece is afforded by the *Sliding Scale* method. The payment in this case varies not only according to the output, but also according to the price of the output in the market. The sliding-scale is an application to practice of the theory that *wages are the discounted product of industry*, that the employer advances to the workman the price that the product will realise, less interest and wages of superintendence. That prices should rule wages is perfectly satisfactory from the employer's point of view. He is almost precluded from labour troubles by the existence of a long time contract arranged on a satisfactory scheme for the determination of wages. He has to share the advantages of a rising market with his workmen; but these share the burdens of a falling market, and thus relieve him of much of the risk inseparable from employing. The workman gets what he is worth, the estimation of the worth being the judgment not of the employer but of the customer. The method once had a great vogue in the coal and iron and steel trades.

From the workman's point of view, however, there is a serious objection to the principle of the sliding-scale. What if the market prices fail to give him enough to live on? To agree to a scale of wages sliding up and down according to the fluctuations of the market, seems to be a committing of his fate to others. "It is," said a great trade unionist, "throwing the bread of their children into a scramble of competition where everything is decided by the blind and selfish struggles of their employers."

The first thing those who manage trade societies should settle is a minimum, which they should regard as a point below which they should never go. This minimum should be "such as will secure sufficiency of food, and some degree of personal and home comfort to the worker; not a miserable allowance to starve on, but living wages." And so we get the doctrine of the "living wage": labour should be paid enough to maintain it at a good grade of decency, the amount necessary being determined by the standard of life of the worker. The reaction against the sliding scale led to its disappearance in one trade after another.

We may, perhaps, best illustrate the difference between the sliding-scale and the living wage by considering the case of the commercial traveller. His advocacy of his goods may not at the moment result in business, though his introduction of them may pave the way for the operation of the "follow up" system and result in an order at the finish. If he depended on the *commissions* on his sales—the sliding-scale—he might starve one month though he rolled in wealth the next. He, therefore, prefers a fixed *salary*—the living wage—even though he gets a less percentage as commission.

The principle of the living wage is applied by the keeping up of prices; but the difficulty is that, if prices are raised, the amounts purchased grow less, and fewer can find employment in the trade. Even to maintain rates may mean that newcomers find no work at any price, in order that the more efficient can get what they ask. The working is seen best among professional men. These have a customary scale of charges, the beginner who would gladly work for less is not allowed to do so. In the end he will, if he succeeds, benefit from the scale; but the first few years after he has entered

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The great division of methods of payment is into *Time-Wages* and *Piece-Wages*, and of these the first is the matter of supreme importance to the workman, the second to the employer. The workman's interest lies in earning as much as possible in the shortest time; the employer's interest lies in obtaining as large an output as possible at the least expense. When the degree of education and training required from a workman is such that he himself directs his labour in a large measure, the time-wage is called a salary, the piece-wage is called a fee. The teacher, whose employment is continuous,

the most expensive and which is yet indispensable if demand is to be satisfied

But all other producers will be enabled to put their article on the market at less cost than that incurred by this weakest producer—"the man on the margin," who just makes a "living" profit. They will, therefore, be enabled to obtain a surplus profit, more, that is, than the market rate of payment, for their superintendence and their capital. For the same article under the competitive system commands one price only, and if the production of any portion of the supply requires as an essential condition a certain price, that price will be obtained for the whole supply. The loaf made of corn grown on the fertile plains of Manitoba will be sold at as high a price as that made of corn grown on land to which Nature has been chary of her gifts. The one price system not only permits consumers whose wants are the most urgent to get the commodity for much less than they would be willing to pay rather than go without it, producers who possess any advantages, temporary or permanent, are also enabled to charge more than they would have taken if hard pressed. The special advantage the producer derives from his environment, from his being able to put his product on the market at less cost than his weakest competitors must incur, is the producer's rent. Similarly, the benefits the consumer gets from his environment, from his being able to satisfy his requirements at less cost than he would have been willing to incur, is the consumer's rent. If I would rather pay a shilling than dispense with the box of matches for which I actually pay a penny, clearly—on the principle that a penny saved is a penny gained—I have gained elevenpence as my consumer's rent in respect of that purchase. The difference in profits arising from difference in costs of production gives rise to economic rent, of which a good working definition is: Economic rent is the surplus profit which arises from the fact that different portions of the supply of a commodity have necessitated varying costs of production. There are thus two conditions for the emergence of rent: (1) Necessary demand, and (2) Differential supply.

Differences in costs of production are seen more clearly perhaps in the case of agricultural than of other kinds of produce. One piece of land may have a soil well endowed by Nature with all that is required for an abundant harvest, may have a favourable exposure, and be readily accessible to a market for its produce. Obviously, the expenses of production will be less than on a plot to which Nature has been niggardly; but the rent of land is only one species of a far more comprehensive genus. It has been placed in a class apart very likely because it could be appropriated by another than the actual producer. In cases other than that of agricultural produce, some producers are more favourably placed than others, they may enjoy special privileges, as when the home producer is exempt from a tax which the foreigner pays, they may possess personal advantages, mental or physical; they may be aware of peculiar processes which cheapen production or improve quality. In all of these cases there is an extra gain of the nature of monopoly profits. Sometimes, indeed, the differential advantage must be paid for; a royalty paid for the use of some new invention is economic rent. Its payment imposes no hardship on the user of the exclusive process, for

by it he obtains a superior instrument of production which fully indemnifies him for his outlay in rent. The price to the consumer will not be raised by the necessity the producer is under of paying rent for his privilege. Rather, the inventor or he who has acquired the inventor's rights will lower the price in order to get a footing in the market. If all producers of the commodity possessed the same advantages in production, no rent could accrue to any one of them. The instability of exceptional profits would cause the benefits from the improved process to be transferred to the consumer, who is the residuary, and by far the largest, legatee in all the advantages of progress.

The chief case, however, in which rent goes to a person other than the producer is that of an appropriated natural agent. Land is the chief of such agents. Society, in its desire to promote well-being and to increase wealth, has granted the exclusive power over land to private individuals, and as a consideration for its use, for the use of the original and indestructible properties of the soil, the landlords are enabled to exact a rent. They can claim a share in the distribution of the produce through the possession of what neither they nor anyone else has produced.

Such rent is the effect of a monopoly. The amount of land is limited, and that of the more fertile lands still more limited, and the more fertile lands are unable, as population increases, to cope with the need for agricultural produce. By the expenditure of more labour and capital on the fertile land, that is by intensive cultivation, the produce can be increased, but the increase will not be proportioned to the added labour and capital. It will be less, and each increment of produce drawn from the soil must be won by progressively greater increments of labour and capital. Nature will yield up her treasures on ever harder terms till there comes a point at which no further expenditure of labour and capital could appreciably increase the produce of that particular piece of land. Long before that point is reached, however, recourse would be had to soils inferior to the first, either from deficiency of natural advantages or from their distance from the point of consumption. If the farmer could double the produce of a piece of land by applying double the labour and capital, and could continue the process indefinitely, he would concentrate his efforts on a small plot and save the bulk of his rent. There is a time when, even in London, it is a matter of debate whether to raise a building another storey or to acquire more ground space. Just so, it will be, as demand increases, a subject for calculation whether more intensive or more extensive cultivation will pay, whether it will be better to rack the land or to resort to poorer soils.

This law of diminishing return is an application to land of a phenomenon which is familiar to all. Expressed in its most general form, the "law" may be thus stated: An equal stimulus rapidly applied will produce a gradually diminishing effect or, the sum of the effects of any repeated stimulus increases more slowly than the repetitions. A slight noise, the gentle ticking of the clock, or the air circulating through the chimney impresses the ear in the quiet of night, but they make no impression if added to the hubbub of the streets during the day. A piece of bread given to a starving man confers on him indefinite utility; a second piece

is less useful, and so on till the point of satiety is reached, when the eating of more bread would be disagreeable and painful.

The law of diminishing return must no doubt be applied with caution. In the case of land itself, an increase in the application of labour and capital may be repaid by a more than proportional increase in the produce. Hence the eagerness of thinly-peopled colonies for labour and capital. In early stages of cultivation this is conspicuously the case, and, in more advanced stages, elaborate schemes of draining or of the addition of permanent manures may be more remunerative than the first amounts of labour applied. There will be a tendency to increasing return, but at a not very advanced state of agricultural skill and knowledge the law of diminishing return begins to operate. Doubling the labour does not double the produce. The law may be temporarily counteracted by the increasing power of man over Nature, but the fact that the capacities of the land are not unlimited is cardinal and must at a very early period be taken into account. To use Mill's illuminative simile: "The limitation to production from the properties of the soil is not like the obstacle opposed by a wall, which stands immovable in one particular spot, and offers no resistance to motion short of stopping it entirely. We may rather compare it to a highly elastic and extensible band, which is hardly ever so violently stretched that it could not possibly be stretched any more, yet the pressure of which is felt long before the final limit is reached, and felt more severely the nearer that limit is approached."

Immediately the resort to poorer or less accessible soil is necessitated to supply the wants of the community, rent emerges for the superior or better situated soils. This rent does not determine the price of the product: the cost of production under the worst circumstances decides this. A high price may denote that rent is paid, for it shows that poorer instruments of production are called on, but rent forms no part of price. The farmer in proportion to his rent gets a superior instrument of production; and if the landlord was to forego his rent the consumer would not gain it. The farmers would be enabled to appropriate it. The community loses from the payment of rent only in so far as the whole or the greater part of it might have been retained for the public services.

RENUNCIATION, LETTER OF.—This is the name of the form usually provided by a company, in the case of an allotment of a further issue of shares to its existing shareholders, on which the shareholder may renounce his right to the further shares in favour of persons named. A shareholder who does not wish to increase his holding can easily find a buyer in the market for the renunciation of his rights. Such renunciations must be formally accepted by the nominees; and the forms must bear a 1d. stamp if the nominal amount of the shares renounced is less than £5, or a 6d. stamp if over that amount. The stamp used may be either impressed or adhesive.

RENUNCIATION OF BILL.—When the holder of a bill of exchange does not intend to claim his rights under the document, he is said to renounce the same. A renunciation, however, is not legally valid unless it is made in writing, or the bill of exchange is actually delivered up to the acceptor. (See PAYMENT OF BILL, RELEASE.)

REPAIRS.—(See LANDLORD AND TENANT.)

REPLEVIN.—(See DISTRESS.)

REPLICATION.—In law, this is the name which was applied in former days to that part of the pleadings (*q.v.*) in an action which was the reply put in by the plaintiff to the defendant's plea (*q.v.*). Since the passing of the Judicature Acts, 1873 and 1875, the names of the various documents which constitute the pleadings have been changed, and as the plea is now called the defence, so the replication is known by the name of reply. The old name of replication only remains in the procedure of the Mayor's Court, where the legal methods are still the same as they were before the passing of the Judicature Acts.

REPLY REFERENCE.—A reply reference, such as that shown below, is frequently put on an outward letter to indicate the place where the copy of the letter is kept.

*In your reply
please quote C, 127*

The place in this instance may be either Copy Letter Book C, page 127, or File C, folder 127.

REPORTS.—**Auditors' Report.** Every balance sheet laid before a company in general meeting must be accompanied by a report made by the auditors of the company, as provided by Section 113 of the Companies (Consolidation) Act, 1908. The auditors are to state in such report whether or not they have obtained all the information and explanations they have required, and whether in their opinion the balance sheet referred to in the report is properly drawn up, so as to exhibit a true and correct view of the state of the company's affairs, according to the best of their information and the explanations given to them, and as shown by the books of the company. The report must be read aloud to the meeting, and be open to inspection by any shareholder. An auditor of the company, if there is one present, should be asked to read the report, as he will then have an opportunity of making any observations, within the scope of his professional duties, on the financial position of the company, and of answering any relevant question which may occur to any shareholder to put to him. We may say that it is not usual for auditors to make any verbal addition to the remarks contained in their report, although it is conceivable that an explanation of some technical detail might materially assist the shareholders present in arriving at a right appreciation of the company's position.

Directors' Report. This is usually drawn up once a year, and submitted with the accounts to the shareholders at the annual general meeting of the company. It should include a résumé of the year's operations, with comments on the financial position of the company. In the words of Clause 107 of Table A (*q.v.*) it should be—

"a report of the directors as to the state of the company's affairs and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund."

(Some people will think that Table A is unduly optimistic, for it will be noticed that the ubiquitous words "if any" are omitted in connection with the declaration of a dividend.)

Clause 108 of Table A provides that a copy of the balance sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to

receive notices of general meetings; even where the regulations governing any particular company do not make it obligatory to send a copy, it is extremely desirable that this should be done, as shareholders then have an opportunity of making themselves familiar with the contents beforehand, and much time may be saved at the meeting as a result. It also lends support to the motion "that the directors' report and accounts be taken as read," which it is customary to move in order to dispense with a very tiresome formality. It is usual for the chairman, after having made such observations and explanations as he may deem advisable, to submit the report and accounts to the meeting by moving "that the directors' report and accounts be accepted", the motion, after being seconded by one of the directors, is then put to the meeting. If the motion be rejected by the shareholders, it is tantamount to a vote of censure on the Board, although failure by the meeting to adopt the report and accounts would have no legal effect.

Statutory Report. Every company limited by shares is required by the 1908 Act (Sec. 65) to send to every member of the company, at least seven days before the day on which the statutory meeting is to be held, a report containing full particulars as to the number of shares allotted and the consideration, including cash, received by the company in respect thereof, an abstract of receipts and expenditure up to a date within seven days from the date of the report, and an account or estimate of the preliminary expenses. The report must also give the names and addresses of the directors, auditors (if any), managers (if any), and secretary of the company, and particulars of any contract which is to be submitted to the meeting for modification, with the particulars of the proposed modifications. The report must be certified by at least two directors of the company, or, where there are less than two directors, by the sole director and manager, and that part of the report which relates to the shares allotted and to the cash received and paid by the company must, in addition, be certified by the auditors. A copy of the report must be filed with the registrar of companies immediately copies have been sent to the members of the company. Forms showing the exact manner in which the particulars are to be rendered can be obtained at any law stationer's. If default is made in filing the report, any shareholder may, after the expiration of fourteen days after the last day on which the statutory meeting should have been held, petition the court for a compulsory winding-up of the company, and the court may direct that the company be wound up, or give directions for the statutory report to be filed, or make such other order as may be just.

There is no obligation on the part of a private company, as defined by Section 121 of the Act as amended by the Act of 1913, to forward to its members or to file with the registrar a "statutory report."

If any person wilfully makes a false statement in a statutory report, he is liable, on conviction on indictment, to imprisonment for a term not exceeding two years, with or without hard labour, and, on summary conviction, to imprisonment for a term not exceeding four months, with or without hard labour, and in either case to a fine in lieu thereof or in addition to such imprisonment.

Report of Proceedings at General Meeting. It is a great convenience to shareholders to be fully informed of what has taken place at meetings of

companies in which they hold shares, and it is desirable, therefore, that printed reports of the proceedings of all general meetings should be forwarded to the members; this applies particularly in cases where there is any considerable number of the members residing at a distance from the company's headquarters. At the present time, investors have interests so many and varied, that it is almost a physical impossibility for many individuals, even if they felt so disposed, to attend the meetings of all the companies in which they are interested, no company of any importance, therefore, should omit to issue these reports.

The chairman's speech should be given in full, for it will no doubt contain particulars as to the future prospects of the undertaking and such details regarding the policy which the Board proposes to pursue as it may deem prudent to disclose.

It should be borne in mind that a report of the proceedings at a general meeting of shareholders, if sent to the public Press, is not privileged in the event of it containing libellous matter, but if circulated amongst the shareholders only, it is *prima facie* privileged. Another point to remember is, that should a report contain false statements and be adopted by the company and advertised in the Press, or the statements disseminated in some other manner, the company may be held liable to persons acting on the faith of such statements.

RE-PURCHASE.—Either the act of buying back goods which have been sold, or the goods themselves the object of the purchase and the re-purchase.

REPUTED OWNERSHIP (and see PROPERTY DIVISIBLE AMONGST CREDITORS).—When a man becomes bankrupt his own property, generally speaking, becomes vested in a trustee for the benefit of his creditors, but the trustee may, in certain circumstances, become entitled to property which does not belong to the bankrupt. Thus, if goods are in a man's possession under such circumstances as to enable him, by means of them, to obtain false credit, then the owner of the goods who has permitted him to obtain that false credit is to suffer the penalty of losing his goods for the benefit of those who have given credit.

This result is effected by the operation of the doctrine of "reputed ownership," set out in the Bankruptcy Act of 1914, Section 38, under which all goods being at the commencement of the bankruptcy in the possession, order, or disposition of the bankrupt in his trade or business, by the consent or permission of the true owner, under such circumstances that he is the reputed owner thereof, are divisible among the creditors, provided that things in action other than debts due or growing due to the bankrupt in the course of his trade or business, shall not be deemed goods within the meaning of this provision. It thus appears that, in order that property in the possession of the bankrupt, which is not his own, may become divisible under the reputed ownership, the goods must be in his possession, order, or disposition in his trade or business at the commencement of the bankruptcy, that he must be the reputed owner, and that the true owner must consent. If a man loses his goods through the operation of this Section, he may prove against the estate of the bankrupt in respect of the loss. "Goods" include all chattels personal, but do not include lands or interests in lands, houses, or things affixed to the freehold. They must be not merely goods visibly employed in his trade or business, but goods acquired for the

purposes of the business and used for those purposes. They must be in the possession of the bankrupt alone; for the possession of a firm of which the bankrupt is a partner will not suffice. Furniture settled by a bankrupt on his wife, of which he has joint possession, is not in his reputed ownership. Goods properly in the possession of the sheriff, and goods seized by a bailiff, under a distress, are not goods in the possession of the bankrupt. Whoever is entitled to put an end to the appearance of beneficial interest is the true owner. For instance, if a building contract provides that all loose materials and plant brought on the land shall be deemed to be annexed to the freehold, the building owner will be held to be the true owner. The question whether the true owner consents is one of fact to be determined in each case. He must have consented to a state of things from which, had he considered the matter, he must have known that the inference of ownership by the bankrupt must arise. He must know of the fact that the bankrupt has possession. The fact that he made a demand for possession before the act of bankruptcy is sufficient to show that he did not consent. This is so, even if it is proved that the demand did not actually reach the debtor, or that the demand was made on suspicion of insolvency. Trade customs have an important bearing on the question of consent, for where a man has the goods of other persons in his possession in the ordinary course of trade no creditor is deceived. For instance, it is universally known that a warehouseman has possession of goods which are not his. In order to avail the true owner, the custom or usage must be one known generally, and not merely to traders in a particular market. So, although the custom of hotel-keepers to hire furniture has been judicially recognised, the custom of hiring furniture generally has not been recognised so as to protect a man who sells furniture to a householder on the hire-purchase system.

According to *Williams on Bankruptcy*, customs have been set up in the following trades, etc.: Boarding-house keeper, coach-builder, clock-maker, bookseller, farmer, wine merchant, furniture dealer, ironmonger, piano hiring, horse dealer. Similarly, goods entrusted to the bankrupt for any ordinary, legitimate purpose are not in his reputed ownership. Thus goods sent on "sale or return" or "on approval" would probably not at the present day be held to be in the order and disposition of the bankrupt. While debts due or growing due to the bankrupt in the course of his trade or business are within the doctrine of reputed ownership, all debts due to the bankrupt during the period of his trading are not necessarily debts due in the course of his trade, but trade debts are liable to pass to the trustee, although the debtor may have assigned them away. Although, from the absence of notice, consent of the owner may be inferred, the inference will be rebutted if the true owner takes every possible step to obtain possession of the debt or his failure to do so is not his fault. Choses in action, which are excluded from the operation of the reputed ownership clause, include shares in a company, a share in the assets of a partnership, debentures, annuities, policies of insurance, and stock in the public funds.

REQUEST NOTE.—This is the name given to a special permit granted by the Customs' authorities to land certain perishable or other goods before the ship has been reported and cleared.

REQUISITIONS.—These are certain questions which are put by the proposed purchaser of an estate to the vendor of the same as to certain matters connected with the property which is put up for sale.

RE-RUMMAGED.—A ship is rummaged when it is discharging its cargo, and re-rummaged when it is taking in its export cargo.

RESCISSIÖN.—This word is used in relation to contractual undertakings which by mutual consent of the parties are brought to an end before any steps have been taken to perform the contract *on either side*. The term is used popularly to embrace release (*q.v.*), but it is quite distinct as a careful reading of the article under that title will indicate. It should be noted that no one party has a right to rescind without the consent of the other, as each must forgo his rights that there may be consideration for the agreement. Rescission may be provided for on the happening of a given event, in which case the performance of the contract is contingent.

RESERVE, BANK.—This is the actual cash in hand, *i.e.*, the notes and the gold and silver coin, which is held by the Bank of England. It is, in fact, the money kept by the Bank to meet any demand which may be made upon it by its depositors, either its private depositors or the banks which keep their balances at the Bank of England. (See *BANK OF ENGLAND*.)

RESERVE CAPITAL.—In the case of a joint stock company which has not had its nominal capital paid up in full, it is said to have reserve capital. There are several forms of reserve capital, *e.g.*

Reserve of nominal capital	Uninsured capital
Reserve of issued capital	Unsubscribed capital
Reserve of subscribed capital	Uncalled capital
Reserve of called-up capital	Unpaid capital

RESERVE FUNDS.—Practically all companies by their articles of association are required to set aside out of profits earned certain sums for the purpose of creating reserves. These reserves may be specifically formed for the purpose of investing the savings of the company in certain sound securities, or if the directors think fit, and the objects of the company permit of it, the reserves may be invested in subsidiary companies. Again, it may be deemed advisable to allow reserve funds to remain in the business, which is tantamount to conserving the resources of the company in regard to its circulating capital. Probably the most common object for creating a reserve fund is one known as reserves for equalisation of dividends, which fund may be drawn upon in future years, if the company falls upon evil days and is, consequently, unable to maintain its average amount of dividend. It is questionable, however, even when a reserve has been so formulated, whether it is policy to fall back upon such reserve unless good reasons can be shown that the company will regain its former profit-earning capacity.

Some high authorities have contended that a reserve which is specified as a "fund" should be substantiated by actual investments, *per contra*, unless the reserve is capable of materialising. It should not be termed a reserve fund but merely "reserve" or "general reserve."

In all cases, reserves may be, as a matter of fact, regarded as liability representing accumulated profit, but if the fund is merely designated a reserve fund,

without any particular appellation as to the cause of its existence as to whether it has been set aside for the purpose of creating additional financial resources to be realised in case of need, such as a reserve fund invested in easily marketable securities or a reserve fund for equalisation of dividends, as above described, or if merely described as a reserve fund, then it is open to the management to apply such a fund in any manner it may think fit; but in all cases directors must be entirely guided by the provisions contained in the articles regulating their company. In Table A (Clause 99) (contained in the first schedule of the Companies [Consolidation] Act, and intended to be a model set of articles), the directors have power, before advising the payment of a dividend, to set aside, out of the profits, any reserve or reserves which they, in their discretion, may deem to be advisable. The reserve so set aside may be applied for meeting unforeseen future contingencies, or for the purpose of equalising dividends. The clause further gives them power to employ any reserves so created in the business itself, or they may, if desired, invest the sum representing the fund created in any investments they choose, but they must not invest in the shares of their own company.

With such powers, it behoves the directorate, year by year, to consider thoroughly its financial status, and before recommending any dividend, proper regard must be had to requirements as to creating reserve funds and to augmenting those funds from time to time, as occasion may offer or necessity demand.

A reserve fund may be drawn upon if it is a general fund, for a variety of purposes. It can be applied to, if thought necessary, for the purpose of reducing capital in cases where the share capital is partially paid-up and the improbability of the additional call being needed is foreseen, but in this case the reduction of capital by drawing upon the reserve fund can only be carried out in the prescribed form (see REDUCTION OF CAPITAL) if the fund has been invested; then the investments may be realised for the purpose of augmenting freehold land, buildings, or plant. Again, if it is desired to make up leeway from a drop of profits in any year, it is possible, though, perhaps, according to some authorities, not desirable, to draw upon the reserve to such an extent as will equalise the dividend paid in that year. Several specific forms of reserve accounts may be cited as follows:—

Dividend Reserve Account. It is probable that if a balance sheet contains an item under its liabilities specifically designated as a reserve account for the purpose of drawing upon in case of need, as above mentioned, no objection is likely to be raised to any encroachments upon it.

Reserves for Depreciation on Plant. It is the custom in some industrial concerns to create and build up a reserve which will suitably provide for wear and tear of machinery and plant, or for obsolescence and possible necessary replacements. In such cases, the assets representing machinery and plant are not subjected to any deduction for depreciation, providing the reserve *per contra* is adequate. (See DEPRECIATION.)

Reserves for Loss on Securities. It frequently becomes expedient to set aside out of profits a sum which will compensate for any fall in the market values of investments made by a company; but where those securities regain their former values on the market, advantage might be, and usually is,

taken, of transferring the sums formerly set aside as a reserve under this head to a reserve for other purposes, because applying the sums thus set aside to write up the book values of the investments would be tantamount to placing a false value upon those assets.

Reserves for Debenture Redemption. This is more usually provided for under the heading of Sinking Fund (*q.v.*)

RESERVE FUNDS, INVESTMENT OF.—As will be seen from the article on RESERVE FUNDS, a reserve formed by a company may be invested outside the business or used in the business itself. The term "reserve fund" is, however, now more often given when the investment is outside the company's business, and the term "reserve" when the investment is invested in the company creating it. The object of investing a reserve fund outside the business is that the fund can be made immediately available whenever the money is required, simply by realising the investments. Such an investment is sometimes, to a certain degree, obligatory in order to comply with certain conditions. The specific circumstances and requirements of each case, however, must be considered. Sometimes the expansion of the company's business and its general necessities require the use of the money represented by its reserves, probably obviating the issue of new share capital. If the business has plenty of spare cash, then nothing could be urged against investing outside, provided sufficient is retained to take advantage of cash discounts and so reduce the cost of purchases. Such a course, however, would obviously be foolish finance in the case of a company investing in securities yielding 3 or 4 per cent and then borrowing money at 5 per cent in order to carry on its business.

RESERVE LIABILITY.—This is a form of liability which represents uncalled capital upon shares issued under the provisions of the Companies (Consolidation) Act, 1908 (Sec. 58). A company whose share capital is unlimited can, by a special resolution passed for the purpose of registration of the company as a company limited by shares, according to the provisions of that statute, make provision in the same resolution that any specified portion of such share capital as has not been called up shall be incapable of being so called up, except and only in the event of the winding up of the company. The company may, further, by the same Section, increase the nominal amount of its existing shares, and specify that the amounts so increased shall be regarded as uncalled capital, on the understanding that the uncalled capital amount be not called up except for the purposes of winding-up. The following Section 59 empowers a company already enjoying the full privileges of limited liability to make provisions that any of its capital which is not called up shall be incapable of being called up except and only for the purpose of the winding up of the company.

This is a practice very extensively indulged in by insurance and banking companies, there are only a few of such companies where this form of "Reserve Liability" is not found. The practice is calculated to, and in the majority of cases does, add considerably to the stability and the confidence placed in those concerns whose balance sheets exhibit such a state of affairs, especially if it can be shown that the directors are men of worth and repute.

RESERVE PRICE.—This is the name which is

given to the lowest price which a person is willing to accept for goods which are offered for sale at auction or otherwise.

RESERVES.—Reserves differ from reserve funds in that they are provisions for losses which have occurred, but the exact amount of which has not been ascertained, or the exact amount allocatable to the period for which the final accounts are being made up cannot be ascertained, and as such they are charges against profit and loss account.

Hence, reserves must be provided against profit for such items as the following:—

• Reserve for discounts on creditors, usually based on a percentage on the total amount of the creditors' balances, such percentage being the average borne by the total discounts to the payments made during the period, or on the average discount rate known to be received.

• Reserve for discounts on debtors, ascertained similarly to that on creditors, and based on the figure remaining after deducting reserve for bad and doubtful debts.

• Reserve for bad and doubtful debts, ascertained by scrutiny of the list of debtors and making adequate allowance for the amounts expected to become bad, or thought to be uncertain of collection, or by taking the percentage known to be usual, and giving special attention to doubtful debts of exceptional amount.

• Reserve for repairs and renewals, made to cover wear and tear during the period, but when the actual repairs may not be done for some time, and made when the amount charged for wear and tear is less than normal. This is often known as a maintenance reserve.

• Reserves for expenses incurred for which no accounts have been rendered, as legal charges, accountancy charges, disputes proceeding, damages to property, claims for personal injury, etc.

The treatment of reserves in the books is similar to that of apportionments. (See *BALANCING BOOKS*.)

Secret reserves are often created for various purposes as, for example, to avoid giving information to competitors, and for the purpose of being in a position to equalise profits over a subsequent period (and so equalise dividends). This is done by hiding some part of the resources of the business. (See *SECRET RESERVES*.)

RE-SHIPMENTS.—These are goods which, having been imported, are re-shipped or exported.

RESIDUARY DEVISEE.—In the case of a will this is the person who takes all the real property which remains after the various other devisees have received their shares.

RESIDUARY LEGATEE.—The person to whom what is left of the personal estate, after the payment of all debts and particular legacies, is given by a testator's will. A bequest of a testator's residuary personal estate passes all the personal property belonging to the testator at the date of his death, and not otherwise disposed of, and includes legacies which have lapsed. If a testator does not by his will effectually dispose of the residue of his property, including property over which he had a general power of appointment by will, there is an intestacy as to it, and it passes to his next-of-kin, or his heir, according to the nature of the property. In administering the personal estate of a testator, the funeral and testamentary expenses and the costs of administration, including the costs of an administration suit, are first paid, then the legacies, and

what then remains over is the residuary estate, and the person entitled to receive it under the will is the residuary legatee. A legatee of the residue or any part of it is liable to pay legacy duty (*q.v.*). As a will now speaks from the death, unless a contrary intention appears in the will, all accretions of the residue, *e.g.*, lapsed legacies, between the time of making the will and the testator's decease will pass under the residuary bequest. If the residuary legatee himself dies during the testator's lifetime, the residue will devolve as on an intestacy, subject to any further directions of the will, with the usual exception that if the residuary legatee is a child or other issue of the testator, and himself leave issue, the residue would pass either under his will, or if he died intestate, as on his intestacy.

A lapsed or revoked share of residue will not fall into the residue which is effectively disposed of, unless a contrary intention can be gathered from the will, *e.g.*, if a testator gives half the residue to A and the other half to B, and the legacy to A lapses, the half given to A will not ordinarily pass to B, but there will be an intestacy as to it, and the same rule applies where a testator bequeaths a share of his residue to a person, and by a later testamentary instrument revokes the gift without indicating what is to happen to the share. It sometimes happens that a testator makes one residuary gift and then a second residuary gift of property of the same kind, in which case the second residuary donee will only take lapsed shares of the residue.

A residuary legacy primarily has reference only to personality, but by the context of the will it may occasionally extend to realty, and the appointment of a residuary legatee may in certain cases give such legatee the testator's real as well as personal estate, or the residue of the proceeds of real estate directed to be sold. A gift of residue of personality may be specific, but this is rare, and the tendency of the court is to consider legacies as general rather than specific. It may be noted here that the words "residue of my money" have been held to include shares, stocks, and securities for money. Also that by the Wills Act, 1837, a residuary devise and a residuary bequest operate to exercise a general power of appointment over realty or personality.

To constitute a residuary legatee, no particular form of words is necessary, it is sufficient if the testator has clearly expressed in his will that the surplus of his estate, after payment of debts and legacies, shall pass to a person there designated, *e.g.*, the words "the rest of my money," "what is left of my books, furniture, and other things," have been held sufficient to constitute the donee the residuary legatee.

Among the rights of a residuary legatee is that of taking the income of a contingent legacy until the contingency happens, he may also, if so directed by the will, take a lapsed legacy not as residue, but by substitution, which may prove more advantageous to him.

If a residue is given to several persons as joint tenants, and one of them dies before the testator or after the testator, but before the joint tenancy in the residue has been severed, his share will go to the others; but if the residue is given to more than one as tenants in common, the share of the deceased will devolve on the testator's next-of-kin, in case the death happened in the lifetime of the testator, otherwise to the legatee's personal representatives. Where co-executors take a residue as such, they take as joint tenants. Where a residuary legatee

survives the testator, but dies before the payment of debts, and before the surplus has been ascertained, the residue will pass under his will; or, if he dies intestate, it will devolve on his personal representatives, and will not lapse.

In one respect the residuary legatee is in a worse position than other legatees, *i.e.*, as regards the abatement of legacies. Where the assets are sufficient to pay the debts and specific legacies, but not the general legacies, the general legacies abate, and abate in equal proportions. The specific legacies have preference over the general, and only as a rule abate in proportion among themselves. A residuary legatee, however, has no right to call upon particular general legatees to abate, for the entire personal estate not specifically bequeathed must, as a rule, be used up, before general legatees are obliged to contribute any share of their bequests.

Where an executor having notice that a debt is due from the estate to a creditor has nevertheless paid over the assets to a residuary legatee, he cannot compel the latter to refund; but cases arise where an executor can compel a legatee to refund, *e.g.*, where the executor has paid the assets away in legacies, and afterwards debts appear, of which he had no previous notice when he so paid, and which he is afterwards forced to pay.

Formerly, if there was no residuary legatee, the residue passed to the executor for his own benefit, in certain cases; but now the executor is deemed a trustee for the persons entitled under the Statute of Distributions, unless it appears by the testamentary instrument that the executor was intended to take beneficially. If there are no next-of-kin, the executors have primarily the right as against the Crown to keep the undisposed-of residue for their own benefit, but not so where the residue is given to the executors as trustees for purposes which fail. Also where by the will a legacy is expressly given to a sole executor or legatees of equal amount to several executors, an intention is implied that the executors shall not take the residue as against the Crown.

It is always advisable, except in the case where the property as a whole is given specifically to some person or persons, to insert a residuary clause in a will, that is, a clause which deals with all the rest of the possessions whenever they fall into the estate, after provision has been made for any particular individuals. The chief reasons for doing so are to provide for the case of lapsed legacies, and for the disposition of property which the testator has acquired between the date of the will and his decease, and thus to avoid an intestacy as to that part of his property which he has not dealt with. A simple form of a residuary clause is: "And the rest of my property I give to A B absolutely" (See LEGACY, WILLS).

RESIDUE.—That which is left. It is a term frequently applied in the case of wills, when, provision having been made for certain beneficiaries, there is still something left over, which residue either goes to a person who is constituted the residuary legatee (*q.v.*), or is divided according to law.

RESINS.—Amorphous vegetable substances consisting of carbon, hydrogen, and oxygen. They are generally obtained as exudations from various plants, but some are found in a fossil condition. They rarely occur pure, being usually either mixed with essential oils or with vegetable gums. The former class is known as balsams (*q.v.*), and the latter as gum resins. (See GUM.) Resins are soluble

in alcohol and in oil of turpentine (*q.v.*); when heated, they give off inflammable gases and oils. They are valuable in the manufacture of soap, varnishes, and sealing-wax, and are also much used in medicine and in the arts.

RES JUDICATA.—The meaning of this phrase, which is a legal one, is that a judgment has been pronounced in a certain matter, and that everything connected with the same is at an end. It is a leading maxim of English law that the same case, depending upon the same facts, should not be litigated over and over again, *i.e.*, that there must be some finality to legal proceedings. If, therefore, a plea of *res judicata* is sustained, it prevents the same question being raised a second time in any court of law when there is a dispute between the same parties.

RESOLUTIONS.—The resolutions passed at the meetings of companies are the various matters which the members present have decided upon. An ordinary resolution may be passed by a bare majority. There are also extraordinary and special resolutions.

The provisions of the Companies (Consolidation) Act, 1908, with regard to extraordinary and special resolutions are as follow—

"Section 69—(1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

"(2) A resolution shall be a special resolution when it has been—

"(a) passed in manner required for the passing of an extraordinary resolution, and

"(b) confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting, of which notice has been duly given, and held after an interval of not less than fourteen days, nor more than one month, from the date of the first meeting.

"(3) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

"(4) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a poll may be demanded, if demanded by three persons for the time being entitled according to the articles to vote, unless the articles of the company require a demand by such number of such persons, not in any case exceeding five, as may be specified in the articles.

"(5) When a poll is demanded in accordance with this section, in computing the majority on the poll reference shall be had to the number of votes to which each member is entitled by the articles of the company." (See COMPANIES, MEETINGS.)

RESPONDENTIA.—This is the name given to the bond evidencing the hypothecation of the cargo of a ship as a security for the repayment of money borrowed for the necessary cost of assisting a vessel

upon its voyage until it reaches its destination. Repayment of the money borrowed is dependent upon the safe arrival of the vessel in port. (See *BOTTOMRY AND RESPONSENTIA*.)

REST.—The item called "Rest" which appears on the liabilities side of the weekly "Return" of the Bank of England corresponds with the item "Reserve Fund" in the balance sheets of other banks, with this difference that the profits are added to the "Rest" from time to time, and the dividends to the bank proprietors are paid out of this account. The amount is not allowed to fall below £3,000,000. (See *BANK RETURN*.)

The word "rest" is also applied to the break which a banker makes in the accounts of his customers on 30th June and 31st December for the purpose of entering the amount of interest and charges due to date. When this has been done, the account is balanced and ruled off, the balance being carried forward to the next half-year's account.

RESTRAINT OF MARRIAGE.—Sometimes in the case of wills and settlements, property is devised, bequeathed, or settled conditionally upon the beneficiary, and one of the conditions frequently met with has to do with marriage, *i.e.*, the benefit conferred is not to take effect unless the person to be benefited either marries or does not marry according to the terms directed by the testator or the settlor, as the case may be. If the estate only arises upon a particular marriage being celebrated, this is a perfectly legal limitation. But other considerations arise if the condition attached amounts to a restraint upon marriage, *i.e.*, if the benefit conferred is to be taken away provided the beneficiary marries. A general restraint of marriage is against public policy (*q.v.*). But a certain amount of restraint is quite allowable, and it may be laid down as a general rule that all conditions which do not, directly or indirectly, impart an absolute injunction to celibacy are valid. Thus, conditions prohibiting marriage before twenty-one, or with a specified person, or with a person of a particular nationality or religion, or with a person of inferior rank in life, are quite legal, and if there is an infringement of any of these conditions the estate dependent upon them will be forfeited by the beneficiary. Sometimes a testator directs that his young daughters shall forfeit their share of his estate if they marry without the consent of a trustee. This is also quite a legal restraint, provided the trustee does not withhold his consent corruptly or unreasonably, for then the marriage will be allowed, and the daughters will not lose their benefits, if, in the opinion of the court, the marriage is a perfectly proper one.

The limitation or restraint applies only to first marriages. Second marriages may always be restrained, and there is no distinction between the sexes in this particular. Thus, a husband may bequeath an annuity to his wife determinable upon her second marriage with any person, and a wife may adopt a similar course with regard to her husband.

RESTRAINT OF TRADE.—Contracts which operate in general restraint of trade are illegal at common law, unless the restraint is within reasonable limits, having regard to the interests of the parties. The common law starts with the assumption that the utmost freedom of trading should exist, and it was only by degrees that a partial restraint became permissible. A very interesting

account of the history of this subject was given by Neville, J., in his judgment in the case of *Goldsell v. Goldman*, 1914, 2 Ch 203. But even when a restraint was allowed, there had to be a limitation of time and space, and no restraint was or is lawful unless there is some valuable consideration for it. Even when the agreement between parties as to a restraint of trade is under seal, there must be a consideration expressed, and it is in this respect that a deed referring to this matter differs from the ordinary deed, which needs no consideration to support it.

The reasons for holding contracts in general restraint of trade to be void were stated concisely in an American case in 1837, which practically followed the reasons given for the same in the English leading case of *Mitchell v. Reynolds*, which was decided over two centuries ago (1711, 1 P. Wms 181).

"1. Such contracts injure the parties making them, because they diminish their means of procuring livelihoods and a competency for their families. They tempt improvident persons, for the sake of gain, to deprive themselves of the power to make future acquisitions. And they expose such persons to imposition and oppression.

"2. They tend to deprive the public of the services of men in the employments and capacities in which they may be most useful to the community as well as to themselves.

"3. They discourage industry and enterprise, and diminish the products of ingenuity and skill.

"4. They prevent competition and enhance prices.

"5. They expose the public to all the evils of monopoly."

The reasonable limits of time and space have caused great difficulties in the past, and many of the cases of the early part of the nineteenth century cannot now be considered as efficient guides. The invention of railways, the telegraph, and the telephone, has brought about a revolution in the methods and ease of communication, and what would have been a reasonable limit some years ago would now be practically useless. A business man is no longer confined to a narrow sphere, but may have commercial transactions all over the world. If he was, then, subjected to serious competition on the part of any person who had a particular knowledge of his special business he might be a heavy loser. For this reason it is now exceedingly common when an employee is engaged, if he is one who might on the termination of his period of service be a business opponent, for the employer to stipulate that the employee shall not carry on or be connected with any other person carrying on a business similar to that of the employer within a limited district for a certain number of years after he has left the service of the employer. The engagement is a sufficient consideration for this conditional restraint. The object is, of course, to prevent undue competition. Although this may press somewhat hardly upon the employee in many instances, unless the restraint is considered, under all the circumstances of the case, to be too harsh, the agreement will be upheld, and the employer will be entitled to an injunction (*q.v.*) if the agreement is broken.

Similarly, when a business is sold, the purchaser, if he is alive to his own interests, will take care to impose a restraint upon the vendor of a like character, *viz.*, that he (the vendor) will not set up in

business in such a manner as to compete with the purchaser for a certain time within a specified district. Without such a condition the purchase of the goodwill (*q v*) of a business might turn out to be a worthless speculation. And what is true of an individual is equally true of a partnership or of a joint stock company.

When there is any agreement in existence as to imposing a restraint upon trading, it must be definite in its terms. The parties must not insert such a restriction as this: "as far as the law allows." They must determine the limits themselves, and the court will then say whether they are reasonable or not. The court will not always refuse its assent completely, even when the limits of time and space are too great. Sometimes an agreement may be held to be partly good and partly bad. Thus, in an old case, the defendant covenanted with his employers that after he left their service he would not practise as a dentist in London, or in any other place in England or Scotland where they might have been practising. The agreement was held to be good so far as it referred to London, but bad as to all other places. But for reasons that have been already stated, *viz*, the modern facilities of communication, it is doubtful whether there would now be such a separation of the two parts of the agreement. The whole character of the business would have to be carefully considered.

One of the best expositions of the modern law upon the subject is contained in the report of the case of *Nordenfelt v. Maxim Nordenfelt Guns and Ammunition Co.*, 1891, A.C. 535. There, according to the head-note of the case, a patentee and manufacturer of guns and ammunition for purposes of war covenanted with a company to which his patents and his business had been transferred that he would not for twenty-five years engage, except on behalf of the company, either directly or indirectly, in the business of a manufacturer of guns or ammunition. It was held that although the covenant was unrestricted as to space, yet, having regard to the nature of the business and the limited number of customers, *viz*, the governments of this and other countries, it was not wider than was necessary for the protection of the company, nor injurious to the public interests of this country, and that it was therefore valid.

No previous authority was expressly over-ruled by the *Nordenfelt* case, but the various judgments recognised the gradual growth of the law upon the subject which had been taking place, and the wider nature of the restraint which has allowed at the present day. The following extract from the judgment of Lord Macnaghten is worthy of perusal: "The public have an interest in every person's carrying on his trade freely, so has the individual. All interference with individual liberty of action in trading, and all restraints of themselves, if there is nothing more, are contrary to public policy and therefore void. That is the general rule. But there are exceptions, restraints of trade and interference with individual liberty of action may be justified by the special circumstances of a particular case. It is a sufficient justification, and indeed it is the only justification, if the restriction is reasonable, reasonable, that is, in reference to the parties concerned, and reasonable in reference to the interests of the public, so framed and so guarded as to afford adequate protection to the party in whose favour it is imposed, while at the same time it is in no way injurious to the public. That, I think, is

the fair result of all the authorities. But it is not to be supposed that the result was reached all at once. The law has changed much even since *Mitchel v. Reynolds*. It has become simpler and broader too. It was laid down in *Mitchel v. Reynolds* that the court was to see that the restriction was made upon a good and adequate consideration, so as to be a proper and useful contract. But in time it was found that the parties themselves were better judges of that matter than the court, and it was held to be sufficient if there was a legal consideration of value; though, of course, the quantum of consideration may enter into the question of the reasonableness of the contract. For a long time exceptions were very limited. As late as 1793 it was argued that a restriction which included a country town, and extended ten miles round it, was so wide as to be unreasonable. It was said, and apparently with truth, that up to that time restrictions had been confined to the limits of a parish or to some short distance, as half a mile. But Lord Kenyon, in his judgment, observed that he did not see that the limits in question were necessarily unreasonable. 'Nor do I know,' he added, 'how to draw the line.' The doctrine that the area of restriction should correspond with the area within which protection is required is an old doctrine. But it used to be laid down that the correspondence must be exact and that it was incumbent on the plaintiff to show that the restriction sought to be enforced was neither excessive nor contrary to public policy. Now the better opinion is that the court ought not to hold the contract void unless the plaintiff made it plainly and obviously clear that the plaintiff's interest did not require the defendant's exclusion or that the public interest would be sacrificed if the proposed restraint were upheld."

There have been numerous cases of a very important character since the *Nordenfelt* decision, and a few examples may not be without interest as showing the trend of the decisions of the courts with respect to restraint of trade. Take the case of *Underwood v. Barker*, 1899, 1 Ch. 301, for example. The head-note is as follows:—

"The plaintiffs, hay and straw merchants, at Brentford, who carried on an extensive wholesale and retail trade in the United Kingdom, France, Belgium, and Canada, and had permanent places of business in the United Kingdom and France in October, 1897, agreed to employ the defendant as their clerk and foreman, in Calais or elsewhere, at a weekly wage of 35s. The defendant entered into a covenant that he would not, for the space of twelve months next after his leaving or being dismissed, carry on the business of a hay or straw merchant, or enter into the service of, or act as agent for, any person or persons carrying on the business of a hay or straw merchant in the United Kingdom, or in France, or in the kingdom of Belgium, or Holland, or in the Dominion of Canada. The defendant continued in the plaintiff's employment until November, 1898, when he voluntarily left them, and entered into the employment of a rival hay and straw merchant in London. Held (by the majority of the Court of Appeal) that the restraint imposed on the defendant was not unreasonable, at any rate so far as the United Kingdom was concerned; that the covenant was not void on the ground of public policy, and that the defendant must be restrained from violating his covenant. A covenant in restraint of trade, which

is not wider than is reasonably required for the protection of the covenantee, will not be held void on any ground of public policy, unless some specific ground for so holding it void can be clearly established. But such cases are exceptional."

A similar result was arrived at in the case of *Lamson Pneumatic Tube Co. v. Phillips*, 1904, 91 L. T. 363. There the plaintiffs, who had a world-wide connection in business, appointed the defendant their manager, and it was one of the terms of the engagement that if the defendant left the plaintiffs' service, he should not engage or be employed during the following five years in any business similar to that of the plaintiffs "within the limits of the Eastern Hemisphere." Held (in this case also by a majority of the Court of Appeal) that the agreement, whether regarded as applying to the United Kingdom only or as extending throughout the whole world, was not so wide as to go beyond what was reasonably necessary for the protection of the plaintiffs in their business, having regard to the peculiar nature of that business, and to the position occupied by the defendant therein.

On the other hand the facts of *Leng v. Andrews*, 1909, 1 Ch 763, show how the court will view a restrictive agreement of an unusual character. The defendant, whilst still an infant, entered the service of the plaintiffs, who were newspaper proprietors in Sheffield, as a junior reporter, under a written contract which made the service determinable by a month's notice on either side, and provided that after leaving the plaintiffs' service the defendant would not, either on his own account or in partnership with any other person, be connected as proprietor, employee, or otherwise, with any newspaper business carried on in Sheffield or within a radius of twenty miles from the town hall thereof. There was evidence that such a restriction was almost unique in contracts of this kind. Held that the restriction was void as being against public policy.

Another case that is worthy of consideration is that of *Morris v. Kyle*, 1910, 103 L. T. 545. By an agreement made between the plaintiffs, who were hop merchants, and the defendant, it was provided that the defendant should devote himself to the plaintiffs' business in travelling, soliciting orders, making sales, and collecting moneys on account of the plaintiffs to and from the persons mentioned in a certain book of instructions. A later clause provided that the defendant should not without written directions call upon, solicit orders, or receive moneys from persons other than those named in the book. It was also provided that the defendant should not "for a period of five years after the determination of this agreement directly or indirectly, either as principal, agent, or servant, either on his own account or for or on behalf of any other person, sell to or offer for sale, or be interested or concerned in the sale, or solicit orders for any goods or marketable commodity whatsoever from, or call upon, or have, or be interested or concerned in any business dealings or transactions with any brewers, customers, or persons from whom he may have obtained or solicited orders, or upon whom he may have called whilst in the employ of the employers during the currency of this agreement or during his employment prior to the date hereof." The defendant having within five years of the termination of his service solicited orders for malt from customers upon whom he had called for the sale of hops when in the plaintiffs' service, and having stated that he

intended to continue to do so, the plaintiffs claimed an injunction. It was held that the covenant was unreasonably wide, and that the plaintiffs were not entitled to the relief they asked for.

The last case to be quoted is that of *Herbert Morris, Ltd. v. Saxelby*, 1916, 1 A. C. 688, the headnote of which is as follows—

"In determining whether a covenant in restraint of trade is enforceable, a covenant exacted by the purchaser from the vendor on a sale of the goodwill of a business stands on a different footing from a covenant exacted by an employer against his employee, and it seems that in the latter case a covenant against competition *per se* will not be enforced. The plaintiff company were the leading manufacturers of hoisting machinery in the United Kingdom, and the defendant had been in the company's employment as draughtsman and otherwise from the time he left school. After several years' service the defendant was engaged by the company as engineer for two years certain and thereafter, subject to four months' notice on either side, upon the terms of an agreement which contained a covenant by the defendant with the company that he would not during a period of seven years from his ceasing to be employed by the company, either in the United Kingdom of Great Britain or Ireland, carry on either as principal, agent, servant, or otherwise, alone or jointly or in connection with any other person, firm, or company, or be concerned or assist, directly or indirectly, whether for reward or otherwise, in the sale or manufacture of pulley blocks, hand overhead runways, electric overhead runways, or hand overhead travelling cranes. Held, that the covenant was wider than was required for the protection of the plaintiff company and was not enforceable." In this case it appeared, *inter alia*, that the restraint attempted to be placed upon the employee was of such a character as to be detrimental to the interests of the public.

It is always to be borne in mind that it is for the court to decide as to the reasonableness of a restraint, and not for a jury to do so.

Combinations in restraint of trade, whether of masters or of men, are *prima facie* illegal, and may even extend so far as to become conspiracies (*q. v.*).

RESTRAINT ON ANTICIPATION.—For the protection of married women, the law has for many years allowed a special provision to be inserted in wills and settlements, when the beneficiary in either case is no longer a *feme sole* (*q. v.*), by means of which she is unable to bind her separate estate for the future. A married woman who has separate estate, so long as it is in her possession, can contract with regard to the same by reason of the Married Women's Property Acts, 1882 and 1893. But if the property is left to her in trust, *i. e.*, if it is legally in the possession of trustees who pay over to her the interest derived from the same, she can be prevented from dealing with any interest which will accrue due in the future if there is a clause to that effect contained in the will or the settlement. This is known as a restraint upon anticipation. Take an illustration. A married woman derives an income of £200 a year from property vested in trustees, the interest being paid to her quarterly. There is a restraint on anticipation. As to any money which she has in hand at any particular time, the lady can contract with respect to the same. But she can enter into no contract binding any of the future quarterly payments of £50. Any such attempt on her part is void, and

consequently her creditors are practically helpless if she declines to pay her debts, unless she has contracted with respect to any money in hand.

This restraint on anticipation only applies to a woman so long as she is married. When she becomes a widow she occupies the position of a *feme sole*, and the condition as to restraint upon anticipation is gone, though it revives whenever she re-marries.

The restraint can be imposed even when it is the wife herself who brings the property into settlement upon the occasion of her marriage. But if the restraint, so far as her own property is concerned, would deprive her creditors of any remedy against her in respect of debts contracted before marriage, to that extent the condition would be void, *i.e.*, the debts so contracted before marriage would have to be paid out of the property in spite of the settlement which had been effected.

By Section 39 of the Conveyancing Act, 1881, the court may, under special circumstances, remove the restraint, when it is clear that it will be advantageous to the married woman to do so. But it requires a very strong case to effect a change of this character. Under the Bankruptcy Act, 1914, if a married woman is made a bankrupt which can happen if she is carrying on trade either alone or in conjunction with any other person—any restraint on anticipation can be removed for the benefit of her creditors.

RESTRICTIVE INDORSEMENT.—An indorsement sometimes put upon a bill of exchange limiting the negotiable character of the document either by depriving the indorsee of the power of further transfer, or by giving him authority to deal with the bill only as directed in the indorsement, *e.g.*, "Pay D only," or "Pay D for the account of X," or "Pay D or order for collection."

A restrictive indorsement gives the indorsee the right to receive payment of the bill and to sue any party thereto that his indorser could have sued, but it gives him no power to transfer his rights as indorsee unless it expressly authorises him to do so. When a restrictive indorsement authorises further transfer, all subsequent indorsees take the bill with the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.

RESTRICTIVE THEORY.—This is the name given to the theory advocated by many persons that in the times of a commercial crisis the issue of notes by the Bank of England should be limited. This theory was really embodied in the Bank Charter Act, 1844, but it was found necessary to suspend its operation on the occasions of the great crises of 1847, 1857, and 1866. In each of these years the Government granted permission to the Bank to issue notes beyond the limits fixed by the Act. A great banking authority, H. D. Macleod, thus wrote upon the subject in his "Element of Banking"—

"It is therefore irrefragably proved by the unanimous opinion of the most eminent commercial authorities and the clear experience of 100 years that the restrictive theory in a commercial crisis is a fatal delusion, and that when a commercial panic is impending, the only way to avert and allay it is to give prompt, immediate, and liberal assistance to all houses who can prove themselves to be solvent, at the same time allowing all houses which are really insolvent to go." (See BANK CHARTER ACT)

RETAIL.—The sale of goods in small quantities, as opposed to the sale of goods by wholesale.

RETAIL ESTABLISHMENT, ORGANISATION OF.—A retail business is organised primarily for distribution. A large demand for its commodities may lead at times to a subsidiary organisation for production. It is not uncommon indeed, in these days of limited liability companies, for retailers to hold shares in businesses from which they obtain supplies. It is common also for manufacturers or wholesale merchants to hold shares in retailing concerns. These alliances do not, however, affect the fact that a retail business must be organised for the sole purpose of selling commodities, and what is sold is usually a finished article to the final consumer.

A retail business is strictly conditioned by human nature. The needs, desires, and tastes of the consumer dominate its policy. Retail businesses are therefore nearly always founded upon a personality who finds himself in sympathy with a sufficient number of potential customers and possessed of a sufficient knowledge of some group of commodities which can be conveniently obtained, stored, and displayed together. A rough and ready classification divides all retailing into three classes, dealing respectively with things to eat, things to wear, and things to use. These classes subdivide themselves into particular trades—grocery, drapery, jewellery, furniture, ironmongery and the like. New retail businesses ordinarily start on a relatively small basis and are confined to a particular branch of trade. The history of commerce is full of outstanding examples of moderate success with this limited form of specialisation. The typical shop-keeper in the West End of London has built up his reputation on one or two commodities. Composite retail businesses have also grown up as, for instance, when a pharmacist has added to his business a photographic supplies department, or a grocer has added a wine and spirit counter. A comparison between the highly specialised shop in Bond Street, London, with similar establishments in provincial towns will show the marked tendency of all retail businesses to extend the scope of their operations, to add to the variety of their merchandise, and to appeal to a larger field of customers. When this tendency became clearly visible, about fifty or sixty years ago, in England, France, Germany, and America, the idea occurred to several big merchants to gather together under one roof a variety of businesses which could be conveniently controlled together. This led to the evolution of the department store, the existence of which has made it harder to start small retail businesses, but the public at large has benefited. In all our large cities there is now a very active competition between one department store and another. Moreover, the small retailer, by studying the methods of his bigger rival and applying them intensively, is well able to hold his own. A still later development of retailing has been the organisation of the multiple shop, one of many retail establishments under the same ownership and all selling precisely the same goods at identical prices, and for three generations at least, co-operative stores have been in existence in spite of being attacked from every point of the compass.

In every type of retail business the great object is to have a sufficient "turnover," *i.e.*, a large ratio of total sales to the average value of stock in hand. This frequency of turnover varies very

much with the type of business. A busy butcher for instance, will turn over his stock three times a week; a grocer, perhaps twenty-six times in the year; a furniture dealer, perhaps once in two years. If each of these merchants normally carried stocks valued at, say, £1,000, it is evident that the butcher would earn as much at a 4 per cent. profit as the grocer would at 24 per cent. Hence the great retail maxim is small profits, quick returns—or maximum sales from minimum stock. A second important element in retail trading is the principle of selling for cash. This latter has three advantages: it saves book-keeping; prevents losses from bad debts; and enables the merchant to have enough cash in hand to secure the best discounts for prompt payment to the wholesaler. Each line of retail business has its own guiding rules. For instance, it is more profitable to sell articles which people use and throw away, than to sell articles which last a lifetime. It is more profitable also to sell twenty articles at a shilling each than one at a pound. Within reason a retailer wants to have the goodwill of the maximum number of permanent customers. Trade, however, should be well distributed over the working hours and the seasons of the year. To sell 50 of goods on Saturday and 40 on the other days of the week means that the shop must employ enough people to take care of Saturday's demand, and these people are relatively idle the remainder of the week. Hence every retailer who has any idea of organisation adopts methods which will keep his staff occupied all the time. The same reasoning applies to the seasons of the year. A merchant who sells, say, a large number of skates in the winter will endeavour to sell a large number of tennis racquets in the summer. Casual observation will reveal multitudinous instances of this kind. In extreme cases where it is impossible to have a sufficiency of sales throughout the year or throughout the week, a wise retailer will prefer to close his premises at slack times. This happens in the winter at holiday resorts and is becoming common in the meat and fish distributing trades.

Departmentalisation. A study of the success of the big departmental store has revealed principles which are applicable to the great majority of retail businesses. Departmentalisation is not merely a convenience to the purchasing public and therefore attracts a large number of customers; it is an essential principle in organising any large undertaking. In the old days a draper learnt his business by apprenticeship and "serving through," i.e., a youth progressively became familiar with all the different lines of goods on sale. He knew something about everything, but not everything about something. In a big modern drapery establishment the staff of each of its departments has an intimate acquaintance with its own line of goods. Thus there is a tendency to fit the department to the skill of the staff or to group together goods which happen to be obtained from related sources. Hosiery, therefore, will be in one department and footwear in another. This, however, is not the soundest method of departmentalisation. A better method is to group together articles which the purchaser is likely to require at one buying. This is the great principle of the "association of ideas" applied to retailing. *Pro contra* a dissociation of ideas must be avoided. People simply will not buy tea and paraffin oil at the same counter except in remote villages. It is also common to lay out departments so that the average customer must

pass through more than one department. It is not wise, however, to force people to pass through an inactive department in order to reach a popular one. The remedy in such a case is to make the less frequented counters more attractive.

Specialisation. Associated with the study of departmentalisation is the great principle of specialisation. Each department should have a specialty—not merely a so-called "catchpenny" or leading line—devices to secure the transient trade—but articles of good quality at popular prices which cause the department to be known throughout the district. This involves likewise a staff of specialists who know how to sell the goods they handle and to deal with the idiosyncrasies of the customers requiring them. Overruling all such methods is the "policy of the house." This policy is more important than anything else. There may be an intention to open a new department every year and to give up those that are unprofitable. This involves a careful statistical study of results. It may be the policy to extend the area which is normally supplied. This involves the study of new districts and an elastic delivery system. Or the policy may be an appeal to a different class of custom. It is in this matter of having a merchandising policy that the progressive merchant differs from the unprogressive. Many small retailers have no policy at all.

These general principles, which emerge from a study of a big store, can be applied to the small establishment. The principle of departmentalisation can be applied to a single counter, different lines of goods being served at either end. The popular end of the counter can also be placed furthest from the entrance. By some simple methods of stock records or counter bills, or by the use of a cash register, the sales in each department of a small business can be recorded, dissected, compared and used as a basis for further policy. Specialisation can also be applied to the smallest business. In fact the only way by which the small shop can stand up against the big one is to become known as the storehouse of a specialty which the big man does not commonly handle. A big store, for instance, may have a book department but it cannot afford to deal with any but the most popular books. The small bookseller therefore can build up a connection among book-buyers in a way impossible with a book department whose turnover is watched from day to day. The small shop can also have a policy of its own. It can build up a reputation and character and service quite different from those of the big department, the multiple shop, or the co-operative store. The history of all big retailers shows that this is the surest way to success in retailing. A retail business cannot be artificially created. A man who has no other capital than money cannot say "I will open a shop." Successful retailing depends upon the human equations—the character of the merchant, his knowledge and experience, and a close study of the diversified needs and tastes of the community he serves.

Display. A most important element in retailing is the attractive display of the goods. This is often neglected or too frequently confined to window exhibition. Interior display, however, is now being carefully studied. The laying out of departments, the provision of modern fittings, questions of lighting, heating, ventilation, and communication, and the general comfort of customers can all be co-ordinated. The object is not only to make the

premises comfortable and attractive to the customer but also convenient for the operations of the staff. Window dressing and display reflect the character of the shop. Windows are dressed frequently and to suit the season. Goods are tastefully ticketed and distinctly labelled with a view to inducing the customer to desire the goods with a minimum of persuasion. Labels on outgoing parcels are also made distinctive, and if delivery vans are used they too reflect the character of the establishment. The name of the firm is presented in some clear and distinctive way by means of a "name plate," and this name plate, in various sizes, appears on the fact, on the window tickets, on the stationery and in all the firm's advertisements.

Retail Service. A retail shop can only continue to exist by serving the community. This idea, which has always governed retailing, has only lately come to light as a basic principle. The retailer is not entitled to a profit merely because he opens a shop. He earns his profit because he does something that people cannot do for themselves. He makes needed commodities accessible, he raises the standard of his customer's surroundings by searching out and supplying new and better things. If he succeeds in supplying his customer's real needs the question of the prices he charges for his goods is relatively unimportant, except that with articles of daily consumption selling at the lowest possible price is part of his service. It is largely because the retailer has not been aware of, or has not sufficiently applied this idea of service that big manufacturers with greater foresight have forced the retailer in many cases into being a mere distributor of trade-marked and advertised articles. A retailer often resents having his hands forced or tied by the big advertiser, but he has too often met wholesale organisation with inertia. The housewife buys packeted oatmeal because it is better and of more reliable quality than the average oatmeal out of the dusty sack on the retailer's floor. She buys many articles also because skilled advertising tells her how desirable the article is and how she can utilise it. Retailers often simply do not know how to sell a new product. Too often they do not want to handle anything new. But it is the new product, the creation of a new demand, that extends a business. There are, however, manufacturers alert to this condition of inertia and conservatism who are attempting to train the retailer into better ways. The progressive shop-keeper avails himself of these "dealer helps" as they are called, dressing his windows in an improved manner; displaying the manufacturer's showcards, distributing his booklets, demonstrating the uses of a new product. But he can and should do all this kind of thing for his own goods, too. There is nothing that the big man does on a large scale that cannot be done also, on a smaller and more suitable scale, by the retailer himself. How many grocers, for instance, put up their own blend of tea in packets and give it a distinctive name? How many retailers demonstrate the advantages of a new time- or labour-saving device? How many even have a correct list of the names and addresses of their customers and send them a suitable reminder from time to time?

Delivery. Perhaps the most obvious element of retail service is in delivery. Organisation here needs thoughtful care. That an expensive delivery service is not essential is shown in the fact that the multiple shop often confines itself to over-the-counter

business. On the other hand the big department stores have well organised delivery services worked to the exactitude of a railway timetable. Suburban housewives, for instance, can telephone to a big city store and have their orders delivered in a few hours. The small retailer can perform a similar service but in a restricted area. He therefore plans his delivery service to serve the most profitable class of local trade. If he has a single customer at the end of a long delivery route he will make efforts to find more customers in the same neighbourhood. The big house also has a systematic way of handling complaints. The smaller retailer has the advantage of a more direct contact with his customer. He can adjust matters more quickly, he has better facilities for finding out the cause of the trouble, if only he adopts the time-honoured maxim that "The customer is always right."

Retail Credits and Collections. Retailers whose affairs need to be investigated in the bankruptcy court nearly always admit that they kept no books. Yet correct book-keeping is the most profitable service a retailer can pay for. Even if he grants no credit to customers he needs to know how his business stands. It is not enough to know the daily and weekly takings. He must know his daily and weekly expenses. He must be able to compare all figures with those of the previous year. One of the most useful set of figures a retailer can get out are the comparative figures to date of this year and the last. This shows at once whether business is going up or down. If credit is granted, a system of weekly accounting is essential. Giving long and indefinite credit to customers, large or small, is not rendering a service. It is merely inviting bad debts. There are many devices on the market in the shape of recording cash tills which facilitate records of sales or credits granted, and some well-thought out systems have been applied to different lines of business. But in no case should this matter of accounting be left to chance and spare time intervals.

Retail Advertising. Most retailers look upon advertising as a luxury and expense, and not as an integral part of their business. In reality advertising is a branch of salesmanship. If it pays to employ a salesman who knows how to sell goods it pays also to take steps to bring customers to the counter, favourably impressed in advance as to the desirability of the goods themselves. If it pays to show a new line of goods on the counter or in the window it pays also to inform the whole district by means of printed salesmanship that the new goods have arrived. A retailer's advertisement should give the news of his store, it should advertise the store as the headquarters of desirable commodities. Supplementing the advertisements in the local newspaper should be leaflets and booklets, all prepared with a definite object and as part of the general policy. For the retailer who does not know how to prepare his advertisements, books of instruction are available.

See also the section "Retail Purchasing" under PURCHASES. DEPARTMENT, ORGANISATION OF.

RETAILER.—The person who sells goods in small quantities only.

RETAINER.—This is the name given to a written document by which the services of a particular individual are held at the disposal of the person who signs it. The word occurs most frequently in the case of a re

In the former case it is the usual practice for a person who is engaged or is about to engage in litigation of a serious character to give a retainer to the solicitor whom he employs. This retainer is a safeguard to the solicitor in the case of any difficulties arising in the future as to his work, and it also is a security to the client, who thereby makes certain that the solicitor he has employed shall give his best care and attention to his case and not act, under any circumstances, for the opposite side. So long as the solicitor is retained he has a lien on the documents of his client, and these cannot be demanded by the client, even though he wishes to change his legal adviser, unless he comes to some arrangement with the solicitor as to the payment of the costs already incurred. The retainer does not, of course, compel a client to go on employing the solicitor who has acted for him in the first instance in any event, when the client is dissatisfied with his legal adviser, but if there is a desire to make a change, the solicitor is entitled to be paid, or to arrive at some compromise as to his costs before he can be compelled to let the case get into other hands.

In the same manner a barrister can be retained for the carrying through of any case. This is effected by a solicitor delivering a sheet indorsed with the name of the case, the party on whose behalf the barrister is retained, and the name of the barrister. A fee of £1 3s. 6d. is payable on the delivery of the retainer, one guinea for the barrister and 2s. 6d. for his clerk. When a retainer of this kind has been accepted, the barrister cannot act in the same case on behalf of any solicitor other than the one who has retained him, and if the case actually comes into court he is entitled to have a brief delivered to appear in court throughout the action, whether his services are actually required or not. On no account can a barrister so retained appear for the opposite party. It happens very frequently that when an important case is pending, an eminent barrister is specially retained for the very purpose of preventing his appearance for the other side.

In some instances a barrister has a general retainer, in which his services are at the command of the person who has retained him. This often happens in the cases of insurance companies, railway companies, tramway companies, councils, etc., who thus secure a man for every emergency. Obviously this system has its drawbacks as well as its benefits.

Another meaning of the word "retainer" is the right which is possessed by an executor to keep back the amount of his own debt out of the legal assets of the testator which come into his hands in priority to any other creditor of the testator in an equal degree. The reason for this peculiar privilege is that, by a legal axiom, an executor cannot sue himself, since he is in the position of representative of the deceased, and, therefore, if there was no such right of retainer, any other creditor might obtain priority by means of a judgment and so prevent the executor receiving anything in satisfaction of his own debt in case the assets of the deceased were insufficient to meet all demands.

An executor may retain his debt, even though it is barred by the Statute of Limitations, unless he has already brought an action upon it during the lifetime of the testator and failed to obtain judgment. But he cannot retain a debt which is unenforceable by some statutory provision, e.g., the Statute of Frauds or the Sale of Goods Act.

RETALIATION.—(See PROTECTION, RECI-PRO-CITY).

RETENTION MONEY.—In the case of a contract of great magnitude, where it is not always possible for the parties to be certain at the date of its completion that all the terms of the same have been accurately fulfilled, it is sometimes agreed that a percentage of the price shall be held back for a specified period as a kind of security. Thus, A contracts to build a certain structure for B at a cost of £100,000. In the contract there are special terms inserted as to the work being carried out in a specified manner, and it is only possible to ascertain whether this has or has not been efficiently done after the lapse of a number of months—say, twelve—following the completion of the work. A agrees that B shall keep in hand £10,000 for the twelve months as a guarantee that the work has been efficiently completed. The money thus held back is called "retention money."

RETIRING A BILL.—This signifies the withdrawal of a bill of exchange (and the same applies to a promissory note) from circulation before it becomes due. This may happen through one of the parties to the bill buying it up and cancelling it when it becomes due, or cancelling it at once. When a bill is retired in this manner by the acceptor, whether at or after maturity, it is altogether discharged, i.e., there are no remedies at all left in respect of it. If it is retired by any party liable upon it other than the acceptor, all the remedies on the bill remain intact.

RETOUR SANS PROTET.—This is a French phrase, and it is sometimes found upon a bill of exchange when an indorser adds them near to his own signature, and thus gives an intimation that if the bill is dishonoured it is to be returned without protest (*q.v.*), i.e., without incurring any expenses connected with the same. The words have no value except as regards the actual indorser who writes them upon the bill. They do not in any way affect any other indorser.

RETURNED CHEQUE.—There are various reasons why a banker will, under certain circumstances, return a cheque, or refuse to meet it. For the sake of convenience the principal of these reasons are here drawn together—

- (1) Insufficient funds to meet the cheque.
- (2) Death of drawer.
- (3) Notice of act of bankruptcy of drawer.
- (4) Instructions not to pay.
- (5) Service upon the banker of a garnishee order attaching the customer's account.
- (6) Irregularity of the cheque, e.g., the date or the amount or some other material part may have been altered and the drawer may have omitted to initial the alteration.
- (7) Difference between the amount in words and the figures.
- (8) The drawer's signature not recognised.
- (9) Indorsement incorrect or irregular.
- (10) Cheque post dated.
- (11) Cheque crossed to two bankers.
- (12) Cheque stale.

All these matters are dealt with under separate headings to which reference should be made.

RETURNS.—This word is used in several senses, and signifies (1) the amount of a merchant's sales during a stated period; (2) the official reports made as to any particular set of transactions; (3) goods returned to the seller by the buyer, as not up to sample, etc.

RETURNS AND ALLOWANCES.—When goods are returned by the buyer, for any reason, and when he makes a claim for an allowance from the invoice amount in case of error, overcharge, etc., he should send a debit note (*q v*) to the supplier of the goods. The latter, if he agrees to the return or allowance, should notify his agreement by sending his customer a credit note (*q v*) for the amount claimed.

As regards the book-keeping, each person to whom goods have been returned, or from whom an allowance has been claimed, is debited in the bought ledger, and, at the end of the month, the total is credited to the purchases returns and allowances account. As regards the books of the other party, each person who has returned goods is credited in the sales ledger, and, at the month end, the total is debited to the sales returns and allowances account. A separate account is often kept for such items as are not in the nature of return.

REUTER.—This word is of very frequent use in newspapers, where "Reuter" or "Reuter's Agency" is found at the end of many items of foreign news. This means that the particular item has been communicated through this special foreign agency, just as the Press Association and the Central News Agency communicate items of news relating to this country to all the newspapers which are subscribers to those particular bodies. The agency was founded by Baron Reuter, who established himself first of all at Aix-la-Chapelle in 1849, and afterwards came over to England where he was subsequently naturalised. The business of transmitting foreign news became so profitable that in 1865 the agency was turned into a limited company. By a working agreement with the Press Association, this agency supplies the provincial press with its news by means of the Association, and not directly.

REVENUE.—This word is used to signify income generally, whether it is that of a State derived from duties and taxes, or whether it is the earnings, profits, etc., of a trading concern.

REVENUE ACCOUNT.—In referring to a revenue account, when speaking of an industrial retail or mining concern, this term may be said to apply in a broad sense to manufacturing, production, trading, and profit and loss accounts collectively, but in the case of parliamentary companies, such as railways, tramways, gas, water or electric light companies, the term is of a more representative character, though in all instances it has precisely the same meaning, implying that statement of financial record showing the result of working a business over a certain prescribed period.

A generally accepted definition of the word "revenue" from a practical application is usually found to embrace the combined incomes and outgoings as the sole result of trading, eliminating all items which may be regarded as receipts and payments on capital account, and including all necessary reservations to provide for wastage of assets from wear and tear, obsolescence, lapse of time, and the like, and also after carrying forward to a suspense account a portion of the payments which may be represented by a liability for the ensuing trading period: such as, for instance, an item of a year's insurance paid, say, seven months before the expiration of a year's trading, the payment would be held in suspense as to five-twelfths of the amount for the succeeding year.

From the producers' or retailers' standpoint, the

revenue account is required to exhibit on the one hand that amount which may be said to represent the *net* amount of output or sales; on the other hand must be shown an amount giving the *net* amount of raw material consumed to produce the corresponding output of a factory or the turnover in sales of a selling establishment. Thus, on the credit side, output or sales will appear as follows—

Stock of Goods on hand at commencement	2,000
Output, or Sales, for year	18,000
	<u>£20,000</u>
Less Stock of Goods on hand at date	2,500
Net	<u>£17,500</u>

Conversely, to the debit side of the account must be shown the cost of materials, or purchases, to display the net cost of them, as the case may be. As the cost of raw material to that of output will usually represent a much lower ratio as compared with purchases in a retail establishment, owing to the cost of productive labour, in the former instance it will be more convenient to take the example of a manufacturing account for the debit only.

	<u>£</u>
Stock of materials at commencement	500
Cost of raw material for year	4,500
	<u>£5,000</u>
Less Stock of Materials at close	750
	<u>£4,250</u>

To this will be added the cost of productive and administrative labour, power, rent, and other items of outlay, an important question to bear in mind in the manufacturing or productive account is that of work in process of completion, which can only be satisfactorily dealt with where an adequate and reliable system of costing is employed.

The full range of the revenue account will comprise, in the case of a factory with a separate establishment for sales, or a distributing centre, a productive, trading, profit and loss, and appropriation account. Some authorities maintain that the true function of a revenue account is really embodied in the final place of this series, *i.e.*, the appropriation account, holding that the balance of profit and loss is in reality the revenue, or, in other words, the distributable amount, resulting from the carrying on of trade. From the point of view of the economist, this is, perhaps, true, though it must be conceded that the majority, probably by accepted custom, regard a revenue account from a more comprehensive view.

The revenue account of a manufacturing trading concern will, broadly speaking, comprise the items shown on the next page. The grouping under the heads of Manufacturing (or Production), Trading, Profit and Loss, and Appropriation Accounts will vary to some extent.

As regards the production account, it will probably be found that in cases where proper costing systems are employed, the goods passing out of the factory to the distributing centre will be charged up as though the two establishments were separate entities, the factory placing a profit upon the goods as they are delivered, thus, after placing the whole cost of producing the output, a percentage is added. In this instance, the production account is credited

[REV]

AND DICTIONARY OF COMMERCE .

[REV]**Production Account (Factory).**

<i>Dr.</i>		<i>Cr.</i>
Stock of material (commencement)	Stock of material (at close)	
Materials	Balance to Trading Account	
Wages, productive		
" administrative		
Power		
Fuel, Light, and Heat		
Repairs and Renewals		
Depreciation		
Rent, Rates, and Taxes		
Insurance		
Sundry Expenses		

Trading Account (Warehouse or Distribution)

<i>Dr.</i>		<i>Cr.</i>
Balance of Production Account	Sales	
Add Stock at commencement		
Less Stock at date		
Rent, Rates, Taxes, and Insurance		
Salaries		
Travellers' Commission and Expenses		
Advertising		
General Expenses		
Audit Fees and Legal Expenses		
Bad Debts		
Income Tax		
Depreciation		
Balance to Profit and Loss Account		

Profit and Loss Account.

<i>Dr.</i>		<i>Cr.</i>
Directors' Fees	Balance from Trading Account	
Interest on Loans		
" on Debentures		
Sinking Fund		
Balance to Appropriation Account		

Appropriation Account.

<i>Dr.</i>		<i>Cr.</i>
Dividend on Preference Shares	Balance—Profit and Loss	
Interim Dividend Ordinary Shares		
Reserve Account		
Balance carried to next year		

with the value of the goods, and a profit is shown for the factory which is carried to the credit of the profit and loss account. The trading account is then debited at the start with the value of its stock in-trade. The warehouse is, in its turn, revealing either a profit or loss, as the case may be.

The revenue accounts of railway and other parliamentary companies differ in some respects from the example shown, receipts and expenditure are enumerated under the heading of revenue account, in which dividends are included, the balance being carried direct to the general balance sheet.

REVENUE EXPENDITURE.—In classifying expenditure, it frequently happens that some very delicate and even subtle distinctions arise. It is not at all times an easy matter to determine precisely what shall and what shall not be termed an outlay on revenue account as distinguished from capital. It is quite safe, for example, to assume that the purchase of a quantity of raw material by a manufacturer is at the time of purchase, and up to the moment when that material leaves his store, being requisitioned by the works foreman to be

utilised in forming part of the factory's product; it is a purchase on behalf of capital so long as it forms part of the stock in-trade or stores, but the act of converting the material into a product for sale, by the employment of the functions of book-keeping, diverts it into an expense under the head of one of the channels of manufacturing purchases or expense. It is even possible to go further than that, if we assume the product to have been manufactured and carried into stock over the end of a financial period, the materials contained in the product have not yet been sold; until the time when the product is disposed of by actual sale, it does not become a charge against revenue, because it ranks as part of the manufacturers' or traders' stock in-trade, and, consequently, a part of his circulating assets. Then, again, wages, power, rent, and all other items of expense, together go to assist in the evolution of the product, as well as the cost of the material consumed in its manufacture; all these outlays, or such portions of them as form part of the product, are held in suspense, and become merged in the circulating capital until a sale is effected.

The act of creating an expense on revenue account is, therefore, not confined to the mere action of paying money or giving an order for goods required in process of manufacturing. The most important point to be observed in all considerations of discriminating between capital and revenue expenditure is to have due and mature regard to the question of allocating under those two categories the proper amounts to be placed under each. In doing so, the operations of ordinary book-keeping perform the function of deviating these two classes of expense into their respective channels, it is not a question of mere expenditure, but rather that of correctly charging to the various accounts under the head of revenue all the cost of carrying on business, as well as of turning out a product or buying goods for sale.

Practically all expenditure eventually finds its way into the revenue account, the purchase of land is probably the only exception, and even land could not be excepted if the original value of it were to fall, which in strict conformity to the theory of accounts the amount of the fall in value becomes a charge against revenue. In this way, the cost of installing a business is, in course of time, all found out of the revenue account, each period being called upon to bear its appropriate part in the form of depreciation or wastage of assets. The cost of maintaining buildings, plant, machinery, fixtures, and the like, as well as the assumed drop in value through wear and tear, obsolescence, or for other reasons, has to be borne as an item of revenue expense, and no balance sheet or profit and loss account is correct unless adequate provision has been made for this. Regard must be had to the case of a sets of the circulating variety, it is a charge against revenue if the amount of debtors' balances is subject to discount, or if some of the accounts are irrecoverable to the extent of that discount and the amount of doubtful and bad debts. A fall in the market value of investments should be, strictly speaking, charged to revenue, though this is not always done; nevertheless, it is at least prudent to state that their values are at present so much less than the book values shown.

REVENUE RESERVES.—Profits which have been set aside for the specific purpose of being drawn upon at a future time for the purpose of equalising the rates of dividends paid in former years are usually termed "Reserves for the Equalisation of Dividends," though, in some instances, a reserve so set aside may be termed "Revenue Reserves," but this is much more infrequent. It should be noted that a reserve account not specifically defined as one existing for the purpose of being drawn upon for distribution of profit in case of need, should not be encroached upon for any purpose except that of writing down assets or some similar purpose. Indeed, it is frequently questioned whether the action of the board of directors in drawing upon the revenue reserve, even when so defined, can be regarded as a prudent policy, as many authorities contend that unless a given rate of dividend can be maintained out of the year's earnings, it is questionable whether it is wise to encroach upon the savings of former years, but, of course, circumstances attendant upon each individual case must be taken into consideration; and, in any event, if the shareholders consent to such a procedure, nothing could be said against it. (See RESERVE FUNDS)

REVERSION.—This is a right to property which will fall into possession at some future period, either at the termination of a certain specified time, or after the expiration of the enjoyment of the property by some other person or persons. Thus, if an estate in fee tail (*q.v.*) is created, this estate lasts as long as there are persons in succession who become entitled one after another. But if the link of succession is broken, the estate reverts to the grantor, and the reversion is said to be in him. If, however, this reversion is granted to a third person, this prospective right to the estate is called a remainder (*q.v.*), i.e., it is the remaining portion of the estate. Although the terms "reversion" and "remainder" are often used in the same sense, it is clear that there is a great legal distinction between them.

REVERSIONARY INTEREST.—The interest which a person has in a reversion (*q.v.*).

REVERSION DUTY.—A duty imposed by the Finance (1909-10) Act, 1910 (Section 13), and payable, on the determination of any lease of land, upon the value of the benefit accruing to the lessor by reason of the determination of the lease, at the rate of one pound for every complete ten pounds of that value. The duty was repealed in the early part of 1920.

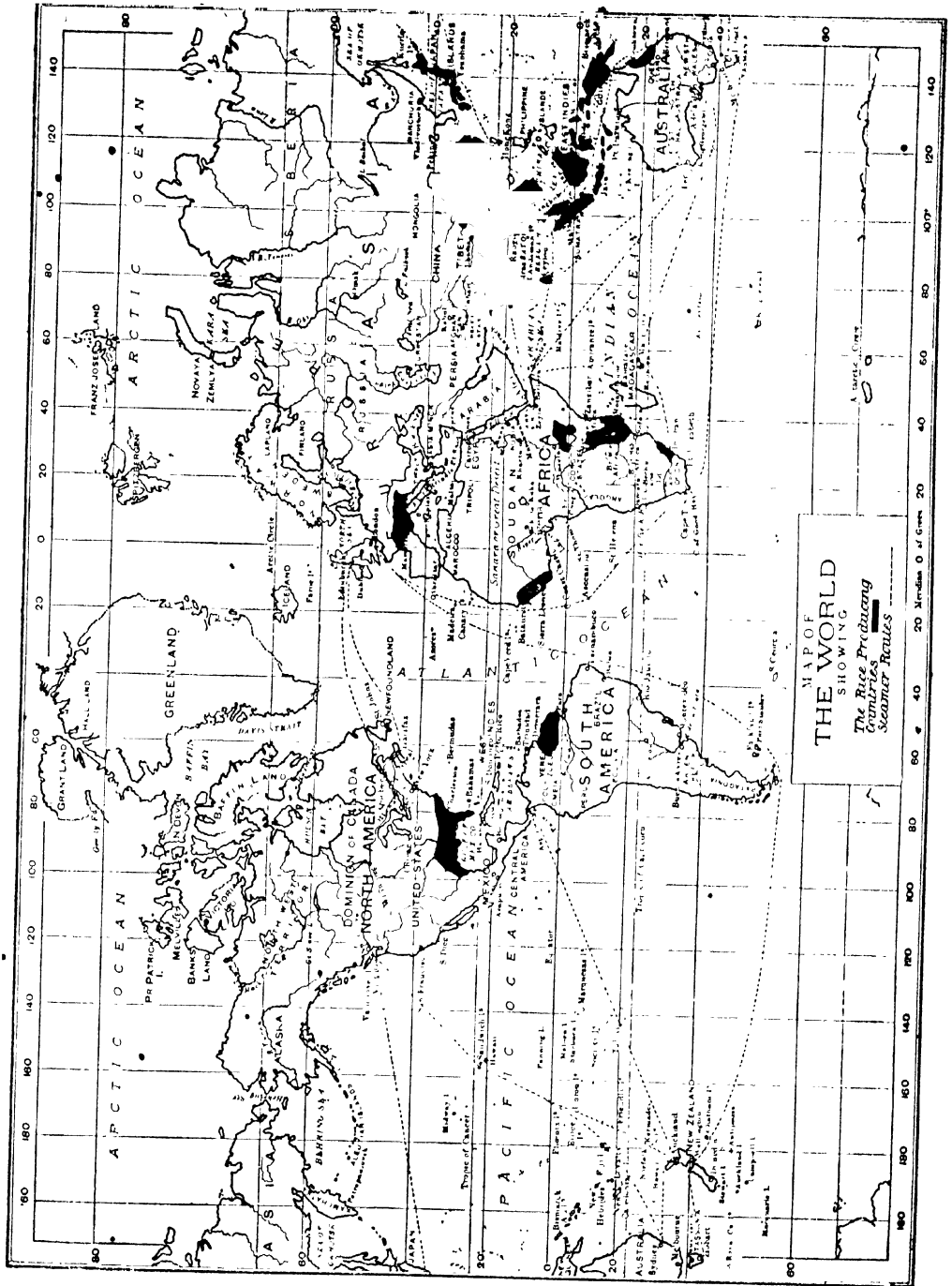
RHATANY ROOT.—The root of a Peruvian shrub, the *Krameria triandra*. It is used as an astringent and a styptic, its medicinal properties being due to the presence of rhatania-tannic acid. In Portugal, the root is added to port wine for the purpose of deepening the colour. It is also employed in the manufacture of tooth powders.

RHEA FIBRE.—Also known as Ramie Fibre. The strong, silky, inner fibre of the *Bahmra nivea*, from which glass cloth (*q.v.*) is made. It loses much of its lustre in the process of manufacture, and this, together with the difficulty of production as compared with jute and linen, has prevented its introduction into Britain.

RHINOCEROS.—This animal is now found only in Africa and Asia. It is commercially useful for its skin and horns. The latter are made into walking-sticks, umbrella handles, cups, etc., and the former, which is of great thickness, may be tanned.

RHODESIA.—**Position, Area, and Population.** Rhodesia (called after Cecil John Rhodes) occupies the whole of the region lying between the north and west of the Transvaal, and 22° of south latitude and the southern boundaries of Belgian Africa (Belgian Congo), and having the Portuguese settlements and what was until the Great War the German sphere on its east and west. The Zambesi River divides it into two portions, called Northern and Southern Rhodesia. The whole country is administered by the British South Africa Company, which obtained a Royal Charter in 1889. Southern Rhodesia, which includes Matabeleland and Mashonaland, has an area of 148,575 square miles, and a population of about 700,000, nearly two-thirds of whom are Mashonas, and the remainder mainly Matabeles. There are only about 35,000 whites, but the number is steadily increasing. Northern Rhodesia has an area of about 291,000 square miles, and a population of nearly 900,000, but less than 2,000 are whites.

Build. Rhodesia is a plateau varying in height from 3,500 to 5,000 ft., and possessing typical savannah scenery. The chief rivers are the Zambesi and its tributaries, the Kafue and Loangwa. Lakes are found in the north, the most notable being



MAP OF
THE WORLD
SHOWING
The Rice Producing
Countries
Steamship Routes

Bangweulu, and on the northern boundary Tanganyika.

Climate. Though lying in the tropics, the elevation of Rhodesia makes its climate cooler than it would otherwise be, and Southern Rhodesia is suited to Europeans. There are two seasons in the year: the wet from October to April (the summer), and the dry from May to September (the winter). The temperature varies from 50° to 80°. The annual rainfall in Southern Rhodesia ranges from about 24 to 30 in. A factor of great importance to the whole region is the high percentage of sunshine. Tropical, sub-tropical, and even temperate products can be grown.

Production and Industries. *Mining* is, and will probably remain for a long period, the premier industry of Rhodesia. It is the mainstay of all other industries. Gold is mined both in the north and in the south, but more especially in the south. The Wankie coalfield, north-west of Bulawayo, produces excellent coal. Silver, lead, copper, chrome iron, asbestos, diamonds, and other precious stones are found. The chief difficulty is the shortage of native labour.

Agriculture. Many parts of Rhodesia are well suited for agriculture, especially if irrigation methods are resorted to in the winter. The interests of the agriculturist are now largely bound up with the mining development of the country, but probably long before the mines are worked out a permanent stock-raising and agricultural industry supplying a world-market will have been established. The farms generally range from 3,000 to 6,000 acres. Maize is the staple crop, but wheat, oats, and barley are also grown under irrigation. Tobacco and cotton are grown with considerable success. Millet, Kaffir corn, ground-nuts, melons, beans, pumpkins, and gourds are important native crops. Fruit-growing is receiving attention, especially for citrus fruits. Rhodesian oranges and lemons have already met with a favourable reception on the London market. Indiarubber is also cultivated with success.

The Pastoral Industry. Rhodesia is considered by many authorities to be an excellent ranching country. The native cattle thrive well, and with a steady upgrading by means of the importation of good breeding stock, a prosperous future seems assured. Sheep and goats are to be found over most of the country. Pigs find a ready market, the growth of maize is an advantage. Dairying, practised to a minor extent now, promises an appreciable increase in the near future. One of the greatest drawbacks of Rhodesia is the peculiar disease known as horse sickness, which results in high prices being charged for "salted horses" (horses immune to the disease). Inoculated mules are largely used.

Communications. In Southern Rhodesia there are about 3,000 miles of roads. Where there are no railways, ox wagons are the common mode of transport. The Rhodesia railways extend from Vryburg northwards to the Congo State border, making through communication from Cape Town to the Congo, a distance of over 2,000 miles. The main line in Southern Rhodesia runs through Bulawayo and Salisbury, and from Salisbury a branch line runs through Umtali to the Portuguese seaport of Beira. From Bulawayo a line proceeds through the Wankie coalfield, crosses the Zambezi at the Victoria Falls, and extends to the Belgian Congo.

Commerce. The chief exports are gold, ivory,

rubber, cotton, silver, lead, copper, wool, tobacco, cattle, and diamonds. The imports are mainly cotton goods, machinery, and iron goods, tea and sugar. Most of the trade is with the neighbouring South African colonies, and the United Kingdom, the overseas trade being carried on chiefly through Beira.

Trade Centres. The chief centres are only small towns. Bulawayo (5,000), the capital of Matabeleland, is the greatest commercial centre, and Salisbury (4,000), the capital of Mashonaland, is the seat of the government. Other towns are Umtali and Victoria in Mashonaland, Gwelo, in Matabeleland; and Fort Rosebery, Abercorn, and Eshe in Northern Rhodesia.

Mails are despatched to Rhodesia, as to South Africa generally, every Saturday. The time of transit to Bulawayo is about twenty-two days.

For map, see AFRICA.

RHUBARB.—A name given to various species of plants. The root so much used in medicine on account of its cathartic properties is obtained from the *Rheum palmatum*, which is chiefly grown in China, though frequently known as Turkey rhubarb. The garden varieties found in Europe are cultivated for the sake of their stalks, which are much employed in cooking, especially for pies and jans. Rhubarb wine may be prepared both from the root of the medicinal variety and from the stalk of the culinary species.

RIBBONS.—Narrow strips of silk, satin, velvet, or mixed fabrics, chiefly employed as trimmings. Great Britain imports largely from Switzerland, Belgium, and especially from France, where St. Etienne is the chief seat of the manufacture. Coventry is the centre of the English industry.

RI.—(See FOREIGN WEIGHTS AND MEASURES—JAPAN.)

RICE.—One of the most important cereals. It is obtained from the *Oryza sativa*, a species of grass, grown extensively throughout Asia, especially in the East Indies, and in other tropical and sub-tropical countries, e.g., Central America and the Carolinas, whence it is largely exported to Europe. The chief rice-producing countries of the world are shown on the map given as an inset. Rice forms the staple food of most Asiatics, and in China and Japan a wine is prepared from it. It contains large quantities of starch, which is much used for industrial purposes. Rice in the husk is known as paddy, and the husk itself, together with the other refuse, is of value as a cattle food, while the straw is used in millinery. The grain is sometimes employed by British distillers.

Rice needs a high summer temperature and a great amount of water during the growing season. Satisfactory cultivation entails growth actually in a few inches of water until near harvest. Under these circumstances its growth is so rapid that two or three crops can be gathered from the same land in the course of a year. The best results are secured in tropical deltas and alluvial plains where irrigation is possible. The abundant return accounts for the great density of population in such lands as the river plains and deltas of the Ganges, Yangste, Hoang Ho, Mekong, etc. Beans and peas grown alongside furnish the nitrogenous elements in which rice is deficient, and so allow the rice cultivators to flourish on a vegetarian diet and one that takes less space to grow than a mixed diet of cereals and meat; hence increased density. With the use of less primitive methods of cultivation and the application of manure and machinery, the output of rice

could be considerably improved, but the peasant cultivators are conservative and loth to depart from immemorial precedent. A variety of rice known as hill rice grows under cooler conditions in a drier soil at elevations of several thousand feet, but is of comparatively small importance.

RICE PAPER.—A smooth, white paper made in the East from the pith of the *Falsa Ayala papyrifera*, a tree peculiar to the island of Formosa. It is much used for making artificial flowers and for receiving coloured drawings.

RIDER.—Any statement that is added at the end of a document, concerning some special recommendation which arises out of the subject matter dealt with in the document itself. It also signifies some clause added to a resolution or a verdict.

RIG.—(See RIGGING THE MARKET.)

RIGGERS AND RUNNERS.—*Riggers.* This is a name derived from the rigging of a ship, and is anything from the hull to the masthead, but in these days the rigger's work is in connection with a vessel loading or discharging cargo, dry docking, and, in fact, anything connected with shipping where ropes are used, that is to say, splicing, sewing or knotting of ropes. Rigging is mainly connected with sailing vessels, and with the advent of steamships the business has greatly declined, until now there is not one-tenth of the rigging required that was formerly the case when shipping was done solely by means of the sailing vessel.

Runners. These are the crews of vessels engaged for a voyage only, known as a "run." Runners are paid an agreed sum for the run. The runner is, of course, a sailor, and may hold a position from captain to cabin boy, but by the term "runner" is generally understood either deckhand or fireman. To illustrate the subject, we will take the case of a ship which has been sold at Newcastle for delivery at London to undergo thorough overhauling and possibly refitting. A crew would be taken on board at Newcastle at an agreed sum to take the vessel to London, and as soon as she was berthed at the latter place the run would be finished, and, consequently, the runners' undertaking would be at an end.

Another duty which comes under the category of runners' work would be if a vessel has to be moved from one dock or harbour to another, in which case the runners are paid at an agreed sum per tide, if a tidal harbour has to be negotiated.

RIGGING THE MARKET.—This is a term which is used to denote the forcing up or down, by means of manipulations of the quotation, of a certain security, regardless of its merits. It is often done in much the same manner as is described under the heading of **CORNERS**. A group of individuals may arrange secretly to purchase thousands of shares in a particular company, in such manner as to cause unsuspecting dealers or speculators to sell a larger number than they possess, then suddenly to insist upon delivery, and to force the price up to an enormous level, the unhappy sellers being practically at the mercy of the "riggers." Such cases as this, viz., of more shares having been purchased than existed, have actually occurred. A market rig need not, however, go to these lengths; such a group of speculators as is here referred to might make arrangements with large holders of the security not to part with their holdings, and by continued purchases might cause a shortage sufficient to put up the price of the shares very considerably, when they sell their holdings at a big

profit. Or a "rig" may take the shape of a fictitious value being put upon shares with the intention of inducing the general public to come in and buy them at the enhanced price.

RIGHT OF MEETING.—There is no statute in English law expressly conferring the right of persons to meet together. That right, securely established in our constitution, flows from the rights of personal freedom and of free speech laid down in a series of decisions by the courts of law. Provided he does not infringe the public law or anyone's private rights, each single individual has a right to come and go where he pleases and to say what he pleases. The right of meeting is simply that right of the single individual exercised by a number of individuals together at the same time, though in certain cases the permission of some authority may be required. It is true that such collective exercise of the right involves a much greater risk of untoward legal consequences than the individual exercise of it, but that is merely incidental; the right—individually and collectively—is much the same, though more circumspection is needed in one case than in the other.

The first necessary consideration respecting a meeting is whether it is a lawful one. A meeting may be for an unlawful purpose, and, therefore, entirely unlawful; or it may be for a lawful purpose, and only becomes an unlawful meeting by reason of that purpose being carried out in an unlawful fashion. Some meetings are made unlawful by statute, such as those which constitute illegal drilling, and open-air meetings held near Westminster to petition Parliament. There are various other statutes dealing with riots and cognate matters. Generally, as to unlawful assemblies, see **ASSEMBLY**.

A lawful meeting may be held indoors or out-of-doors, and in any place subject to considerations of orderliness, and provided it does not infringe public or private rights or local by-laws. We will deal briefly with each of these contingencies—

First, as to **Orderliness.** Nothing must be done to cause a breach of the peace, or that will create in the minds of normal persons a reasonable fear that such breach of the peace will result. A meeting, however, if held lawfully for a lawful purpose, is not unlawful merely because it may excite other persons to act unlawfully, but grossly to provoke reasonable people is certainly an abuse of the right of meeting.

Second, as to **Public Rights.** These must not be interfered with, as by obstructing the roadway or other passage which the public have a right to use, or by causing any other common nuisance, such as noise.

Third, as to **Private Rights.** The meeting must respect these, and not commit any trespass upon, or injury to, private property. Under this head may be mentioned the question of slander, which affects the individuals forming the meeting. In the case of meetings required to be held by law, such as those of local authorities and public companies, statements by persons who have a duty to be present are privileged, not absolutely as Parliamentary speeches are, but so long as the occasion is not maliciously abused. At meetings not held in pursuance of law, there is no privilege, and speakers may be called to account for their utterances.

Fourth, as to local **By-laws.** Restrictions and conditions as to meetings, particularly open-air

meetings, are sometimes imposed by local authorities in their by-laws, and these should be obeyed. It is true that such by-laws, or some of them, may be *ultra vires*, but it will probably only be by costly proceedings that a legal declaration to that effect can be obtained.

We will now consider the respective rights of the conveners of a meeting, and of those attending it or desiring to attend it. The conveners of a meeting which is held on private premises, whether owned by them or temporarily hired for the purpose, have entire and sole control of the proceedings and as to whom they will allow to be present. Anyone attending contrary to their wishes is a trespasser, and may be dealt with accordingly. Those who have been invited or allowed to enter are only there on sufferance, which may be withdrawn at any time, and even those who have paid for admission may be required to leave, their only remedy being an action for damages.

A meeting held in a public place is on quite a different footing, as, of course, the conveners have no better right to occupy the spot than anyone else who may care to go there. Indeed, they are worse off, seeing that they are more likely to be held responsible for any wrong done by the meeting. Everybody is free to attend such a meeting, but proceedings may be taken under the Public Meeting Act, 1908, against anyone seriously disturbing it. That Act is an important addition (from some points of view, perhaps, an unnecessarily strong one) to the safeguards of the right of meeting. It makes it a legal offence to disturb a lawful public meeting for the purpose of preventing the transaction of its business. If the meeting is a political one during an election, the punishment, on conviction, is specially serious, as it includes disfranchisement. The Act covers open-air meetings equally with others.

Having regard to possible by-laws and questions of traffic, convenience, and custom, it is always highly desirable to consult the police before arranging an open-air meeting, and to follow their advice, except on those very special occasions when the public right to meet at some particular spot is being asserted and tested in the face of the authorities.

The Press have no better right to attend meetings than the public, unless, of course, they are invited, as they generally are. But whether expressly invited or not, they are usually welcomed and their convenience specially provided for.

The question of the right of meeting sometimes arises in connection with a popular protest against the closing of a right-of-way. Such a protest usually takes a more active form than a simple gathering and speeches of remonstrance—those present proceeding to remove the obstruction. While in these local disputes the popular outburst is often in the right, and, indeed, in itself affords some proof of the reality of the right sought to be preserved, this is not always so, and the demonstrators must take the risk of being held to be trespassers and liable for damage. Assuming, however, that an established right-of-way has been wrongfully closed, it is not unlawful for an assembly of persons to proceed to the spot and break down the obstruction, provided they do so peaceably, in an orderly fashion, and without causing fear to other persons. (See ASSEMBLY.)

RIGHT OF SEARCH.—By international law (*qv*) a belligerent has a right to capture the private

property of an enemy at sea. And this remains the general rule in spite of many strong protests against the right and the efforts which have been made to put an end to it. But if the goods are on board a vessel which does not fly the flag of the enemy, the right of capture does not arise unless the goods are contraband of war (*qv*), i.e., generally speaking, such goods as may be utilised for the furtherance of hostile enterprises. In order to prevent any breach of neutrality rules, a belligerent is permitted to visit merchantmen, no matter under what flag they are flying, and to make certain inquiries. If there is any suspicion of irregularity there then arises the right to search for contraband goods. If the visit or the search is resisted, or if contraband goods are found, the vessel is brought before a Prize Court (*qv*) for condemnation. The rules as to search are far from uniform, and in the past Great Britain has claimed greater rights than any other country. In times of peace there is no right of search, unless there is a suspicion of piracy or slave-trading, and also in connection with the North Sea fishing boats, this latter right having been agreed upon by the northern countries of Europe in order to put a stop to what is known as "coopering," which is the illicit dealing in spirits amongst the boats themselves.

RIGHT OF WAY.—This is one of the most important of those peculiar rights possessed by one person over the land of another, known by the name of easements (*qv*). It means that by some means or other the landowner has put himself into such a position that certain persons or the public generally have obtained the right to pass over his land in a certain direction, or by a certain path. This right is gained either by grant (*qv*) or by prescription (*qv*). If it is by grant, the right is clearly defined by the instrument creating it. If by prescription, the right is obtained, generally speaking, by reason of the way having been used by the public for a certain period without interruption. This is provided for by the Prescription Act. If a landowner allows people to pass over his lands without hindrance for a period of forty years, an indefensible right of way is gained, and it is very difficult to defeat a claim of a right if there has been an uninterrupted enjoyment for a period of twenty years. Apart from grant or prescription a right of way may arise from necessity. Thus, if an estate is granted to a person and the estate is completely surrounded by other land, there must be a right of way so that the owner may reach his own estate.

RIN.—(See FOREIGN MONIES—JAPAN.)

RING.—In business matters a ring is a term used to signify a combination of capitalists who have combined together for the purpose of maintaining the price of goods, wares, or merchandise, and also of stocks and shares, far above their real market value by preventing the natural circulation of the same. Thus, the shares of a particular joint stock company may be in great demand owing to the success of its schemes. If the shareholders, or the vast majority of them, combine so as to withhold the shares from the public, the demand will increase to such an extent that the prices will become inflated to an abnormal degree, and then only will the combination agree amongst themselves to release a portion of their holding and offer the shares for sale. (See TRUSTS.)

RIOT.—The common law misdemeanour (*qv*) of riot is constituted by three or more persons

assembling or being together and having for their object the carrying out of some unlawful or violent act or the carrying out of some lawful act by unlawful means, *eg.* under circumstances of violence, threats, tumults, etc., so as to create terror and alarm amongst the King's subjects. By statute law, the Riot Act, 1714, a riot is constituted a felony, when twelve or more persons unlawfully, riotously, and tumultuously assemble together to the disturbance of the public peace for one hour after a proclamation has been made by the sheriff, under-sheriff, a justice, or a mayor of the borough ordering the assembled crowd to disperse.

Prior to the year 1886, when damage to property was done by rioters, the hundred had to make good the same, but now, by the Riot Damages Act, 1886, all claims for damage must be made against the police authorities of the district in which it occurs.

ROAD.—A place where ships can ride at anchor some distance from the shore.

ROADSTEAD.—A term signifying the same thing as a road (*qv*).

ROBBERY.—This is the offence of stealing from the person when the act is accompanied by violence or by the threat of violence so that the person from whom the thing stolen is injured or placed in bodily fear. The extreme penalty is penal servitude for life, and in certain cases, but in the discretion of the judge who tries the offender, flogging may be added as a punishment in addition to imprisonment.

ROCHELLE SALT.—A saline purgative, consisting of tartiate of potash and soda, prepared from cream of tartar and carbonate of soda. It is also known as Seignette's salt, having been discovered by a Rochelle apothecary of that name towards the end of the seventeenth century.

ROCK SALT.—(See SALT.)

ROD.—An English linear measure of $5\frac{1}{2}$ yards or 16½ feet. It is nearly equal to 5 metres. In many parts rod is used for pole or perch.

RODE, RODER.—(See FOREIGN WEIGHTS AND MEASURES.—DENMARK.)

ROEDE.—(See FOREIGN WEIGHTS AND MEASURES.—HOLLAND.)

ROLLING STOCK.—The supply of engines, carriages, trucks, cars, etc., possessed by such companies as railways and tramways.

ROLLS, MASTER OF THE.—(See MASTER OF THE ROLLS.)

ROOD.—In superficial measurement the rood is the fourth part of an acre, and contains 40 square poles or perches, each consisting of 30½ square yards. Comparing with the metric system, the rood is slightly more than one-tenth of a hectare, or, more exactly, it is equal to 0.10117 hectare.

ROOT OF TITLE.—The foundation from which every owner of land builds up his right to hold and retain the same. Whenever dealings take place with regard to land, by way either of conveyance or of mortgage, the purchaser or the mortgagee, as the case may be, desires to be convinced of the nature of the estate which is being transferred to him, and of the perfect title of his immediate transferor. For that reason the deeds relating to the property are inspected, and it is almost always agreed that the tracing of the title or right shall be deemed to commence with some specified one. This deed is called the root of title.

Unless there is any agreement to the contrary, a purchaser of land is entitled to have a satisfactory history of the property for the forty years preceding

the date of the execution of the conveyance. In practice, however, a twenty years' title is generally accepted as sufficient.

By the Vendor and Purchasers Act, 1874, Section 2, it is provided as follows—

"Recitals, statements, and descriptions of facts, matters, and parties contained in deeds, instruments, Acts of Parliament or statutory declarations, twenty years old at the date of the contract, shall, unless and except so far as they shall be proved to be inaccurate, be taken to be sufficient evidence of the truth of such facts, matter, and descriptions."

Again, by the Conveyancing Act, 1881, section 3, s. 3, it is provided—

"A purchaser of any property shall not require the production, or any abstract or copy, of any deed, will, or other document, dated or made before the time prescribed by law, or stipulated, for the commencement of the title."

In the case of the purchase of leaseholds, the abstract of title (*qv*) should always commence with the lease itself, even though the lease has already lasted for a period of over forty years. (See TITLE DEEDS.)

ROSEMARY.—The *Rosmarinus officinalis*, an evergreen shrub of fragrant odour and pungent taste, found in the Mediterranean countries, and cultivated in English gardens. The essential oil it yields, known as oil of rosemary, is much used in preparations for stimulating the growth of the hair, and is also an important ingredient of Eau de Cologne and other perfumes. The spirit obtained from the twigs by distillation is employed in pharmacy to impart an agreeable odour to liniments, ointments, and plasters.

ROSE OIL.—(See OTTO OF ROSES.)

ROSEWOOD.—A fragrant and valuable fancy wood. It has beautiful markings, and is largely employed in cabinet-making. The best quality is obtained from the *Dalbergia nigra* of Brazil, but trees of the same genus are found in other tropical regions, especially in Honduras, Jamaica, and Burmah.

ROTARY COPYING.—(See DUPLICATING.)

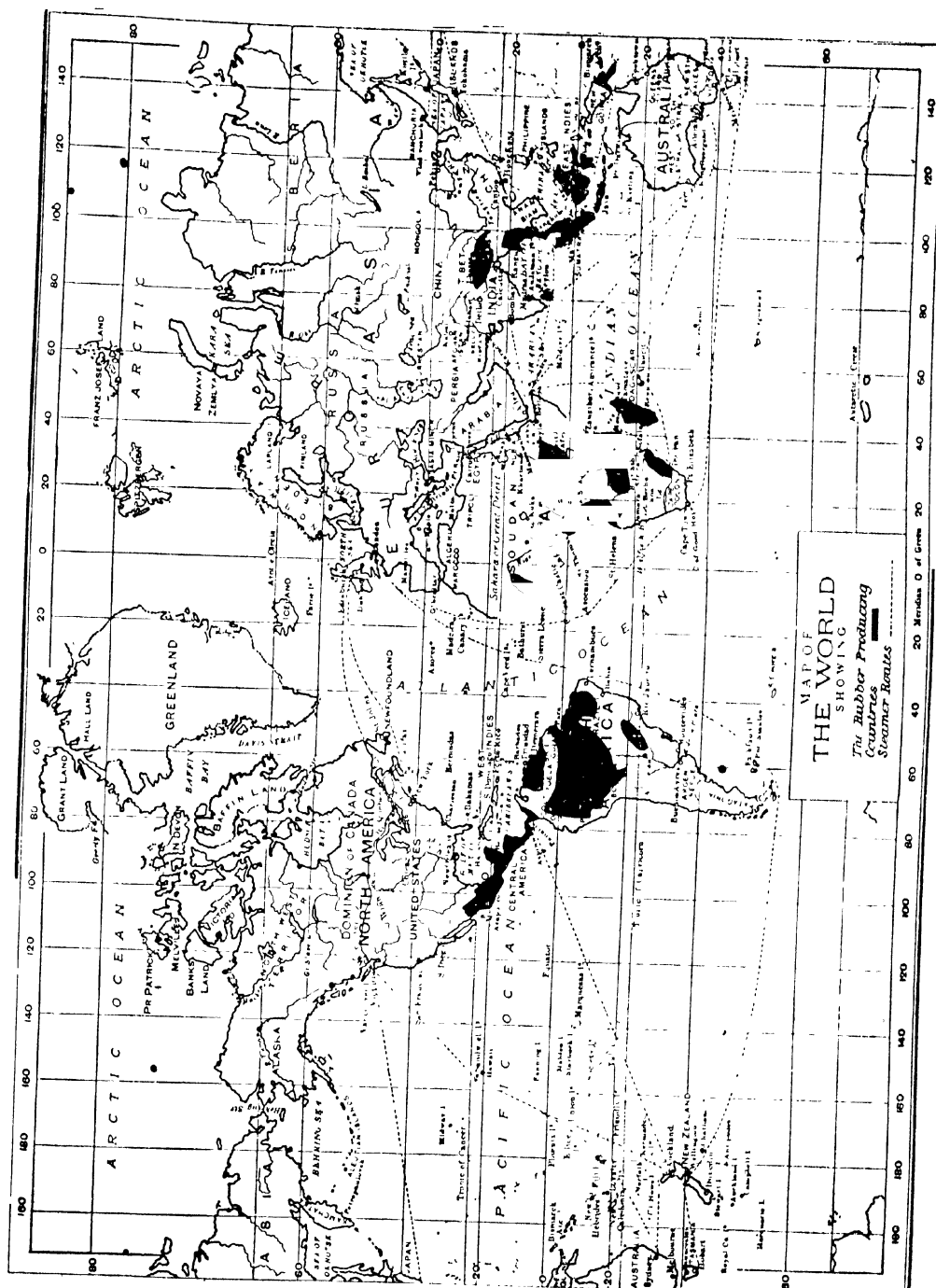
ROTTENSTONE.—A soft, porous stone, consisting almost entirely of silica. It is found in Derbyshire and South Wales, and, when powdered, is much used as a polishing agent for metallic surfaces.

ROTTOLO.—(See FOREIGN WEIGHTS AND MEASURES.—EGYPT.)

ROUBLE.—(See FOREIGN MONIES.—RUSSIA.)

ROUGE.—Jewellers' rouge is a variety of oxide of iron obtained by calcining copperas. It is a fine, dark red powder used for polishing gold, silver, and speculum metal. The cosmetic which gives an artificial colour to the complexion is also known as rouge. Toilet rouge consists of a preparation of French chalk and some red colouring matter, such as carthamine, the dye obtained from safflower (*qv*).

ROUMANIA or RUMANIA.—This is one of the Balkan States, formerly composed of Moldavia and Wallachia, which, with Dobruja, have since 1861 formed an independent kingdom. The total area of Roumania before the war was about 53,000 square miles, and the population was about 7,000,000. New territories of considerable size have since been added, notably Transylvania, a large part of Bukovina, part of the Banat, and Bessarabia, and



the area and population are now about double what they were

Relief. Roumania is not very elevated and consists mainly of a series of terraces which slope from the mountains

Productions. The soil is, perhaps, the richest in Europe, but the extremes of heat and cold do not allow it to be as productive as it would be under more advantageous climatic conditions. Nevertheless, it is one of the most important grain-producing countries, and there are extensive crops raised of wheat, maize, millet, barley, rye, beans, and peas. The country is also extremely rich in cattle and sheep. The vine flourishes, fruits are raised in abundance, and the forests are a source of much wealth. Minerals are said to be very plentiful, but there is little working of them, with the exception of coal and petroleum. Salt is a State monopoly. The output of crude oil has increased more than ten-fold during the last decade

received an authority to exhibit them in connection with his trade. The penalty for an unauthorised assumption of the royal arms (or arms so nearly resembling them as to be calculated to deceive) is £20. Again, any person is liable to the same pecuniary penalty who falsely represents that goods are made by a person holding a royal warrant, or for the service of the King or any member of his family, or for a government department.

ROYALTIES AND ROYALTY ACCOUNTS.—Mineral leases, in addition to stating the amount of royalty to be paid to the landlord per ton, usually contain a stipulation to the effect that a certain minimum rent shall be paid to the landlord in the early years of the lease, when the royalties are of a smaller amount than such minimum rent. The lease generally gives a power to the lessee to deduct from subsequent royalties in excess of the minimum rent the amount by which the minimum rent paid in the early years



Railway communication is rapidly increasing, and there are now over 2,000 miles of line, most of it State-owned

• **Towns.** Bucharest is the capital, with a population of 338,000

Galatz (72,000), and Braila (65,000) are Danubian ports through which much of the trade of the country is carried on

Other towns are Ploesti (57,000) and Craiova (52,000)

Jassy (76,000) is the old capital of Moldavia. Mails are despatched to Roumania several times daily, and the time of transit is a little over 24 days.

ROUP.—This is the Scotch term for a sale by auction. (See AUCTION)

ROYAL ARMS, USE OF.—There is a keen desire on the part of many tradesmen to use the royal arms, as indicating that they have in some way or other obtained a kind of special testimonial that their goods are of a superior character. The use of the royal arms is forbidden unless the user has

has exceeded the total amount of royalties on mineral raised. A time limit is often fixed also, preventing deduction of overpayments when such are of older date than the period stated

As regards the entries in the books, it will be necessary to put through the journal—

(a) the amount to be credited to the landlord,
(b) the amount to be debited to royalties account, and

(c) the amount to be debited or credited, as the case may be, to a minimum rent recoverable account

Example. A colliery company enters into a mineral lease of a coalfield for a term of years at a minimum rent of £400 per annum, merging into a royalty of 1s. per ton, any excess of minimum rent over royalties during the first five years of the lease to be deducted from future royalties in excess of the minimum. The output in the first year is 700 tons, in the second year 4,000 tons, and in the third year 29,500 tons.

ENTRIES IN JOURNAL OF COLLIERY COMPANY.

			Dr.	Cr.
End of	Royalties Account	Dr.	£35 0 0	
1st year	Minimum Rent Recoverable Account	"	365 0 0	
	To Landlord	"		£400 0 0
	Royalty of 1s per ton on output of 700 tons	"		
End of	Royalties Account	Dr.	200 0 0	
2nd year	Minimum Rent Recoverable Account	"	200 0 0	
	To Landlord	"		400 0 0
	Royalty of 1s per ton on output of 4,000 tons	"		
End of	Royalties Account	Dr.	1,475 0 0	
3rd year	To Minimum Rent Recoverable Account	"		565 0 0
	To Landlord	"		910 0 0
	Royalty of 1s per ton on output of 29,500 tons	"		
			£2,275 0 0	£2,275 0 0

The entries in the Journal of the colliery company will be as shown above.

The cash paid to the landlord would be passed through the cash book and debited to his account. At the end of each year the amount charged to royalties account would be transferred to the revenue account. It is to be particularly noted that the amount standing to the debit of minimum rent recoverable account will be treated as an asset when the final accounts are drawn up, *i.e.*, £365 will be shown under that heading in the balance sheet at the end of the first year, and £565 in the balance sheet at the end of the second year. When, after several periods of shortworkings, there occurs one during which the royalties on mineral raised exceed the minimum rent, but are not sufficiently large to allow the total debit on minimum rent recoverable account to be deducted, there will be credited to the last-mentioned account such a sum only as will bring the amount due to the landlord down to the figure of minimum rent.

ROYALTY.—There are three senses in which this word is used. It denotes—

(1) A payment made in the nature of rent by the workers of mines to the owners of the soil, and varies with the amount of the minerals raised and the prices obtained for the same. It is generally something in addition to dead rent (*q.v.*).

(2) A payment made by a licensee to a patentee for the privilege of working the patent. This payment also generally depends upon the amount of the receipts obtained by the licensee.

(3) A payment made by a publisher to an author for the privilege of publishing and selling his books or other works.

RUB.—(See FOREIGN WEIGHTS AND MEASURES—EGYPT.)

RUBBER.—This important commercial product is dealt with under the heading of CAOUTCHOUC. The principal rubber-producing parts of the world are shown on the map given as an inset.

Para rubber trees grow in Ceylon with great success. A suitable environment has also been found and largely utilised in the Malay Peninsula, Sumatra, Java, and to a less extent in India. Para rubber thrives in a moist equatorial climate and grows best near sea level. The castilloa or Mexican rubber requires less moisture and lower temperatures, and can thrive in poorer soil. It is cultivated in Mexico

where labour is neither abundant nor cheap as it is in Ceylon. Labour is saved by the less frequent tapping of the latex which suits this tree.

In the West Indies there are plantations of lagoon rubber, and some other tropical lands have made a beginning with one or other species of rubber tree. There are possibilities of great increase in rubber production.

More than half the world's supply of rubber is still from wild sources. Brazil overshadows all other countries in annual output. Far inferior in output comes the Congo and the Malay Peninsula and Archipelago.

RUBY.—One of the most precious gems. It is a red, transparent variety of corundum (*q.v.*), and is harder than every other mineral, except the diamond. Large, flawless rubies are so rare, that specimens weighing more than a carat are more valuable than diamonds of the same weight. The best rubies come from Burmah. They have the bright red hue known as "pigeon-blood" colour. Other specimens of darker colour are found in Ceylon, Siam, and China. Rubies have been produced artificially, but the artificial stones, though of some use to watchmakers, are of very little value as gems, owing to their smallness and lack of brilliance. Some large stones are produced by "reconstructing" small ones. This is accomplished by means of fusion, but the reconstructed stones are never flawless, and do not fetch high prices.

RUE.—An evergreen herb of the genus *Ruta*, indigenous to South Europe. Its leaves have a strong smell and a bitter taste. The volatile oil obtained from them was formerly used in medicine in the manufacture of an infantile remedy known as syrup of rue.

RUGS.—Coarse woollen fabrics of various sorts, of which some are used as floor coverings, while others are of great service as travelling wraps, coverlets, etc. In addition to supplying the home demand, Great Britain exports vast quantities annually.

RULE ABSOLUTE.—Whenever an application is made to a court of law *ex parte* (*q.v.*) and a rule nisi (*q.v.*) is granted, the case afterwards comes on in due course for argument, and if the applicant makes out his case, the rule nisi is made absolute, that is, the provisional order first obtained is made permanent.

[FACSIMILE OF CONVEYANCE OF REVERSION IN FEE IN FFRERHOLDS TO A PURCHASER]

THIS INDENTURE made the twenty-fourth day of October One thousand nine hundred and

BETWEEN Edward Franks of Hill House Swanton in the County of Essex Farmer of the one part and George Hills of 386 Bank Street Eaglestown in the County of Norfolk Banker of the other part

WHEREAS under an indenture dated the first day of August One thousand eight hundred and ninety-nine and made between Isaac Jones and Leonard Martin the said Edward Franks is seised of the hereditaments hereby assured in fee simple in reversion expectant on the decease of Norman Owen of 84 East Street Shenford in the County of Suffolk Engineer free from incumbrances

AND WHEREAS the said Edward Franks has agreed with the said George Hills for the sale to the said George Hills for the sum of £5000 of the reversion and inheritance in fee simple of the said Edward Franks expectant on the decease of the said Norman Owen of and in the said hereditaments and it has been further agreed that the succession duty payable in respect of the said premises upon the decease of the said Norman Owen shall be paid by the said George Hills and that he shall enter into the covenant in relation thereto hereinafter contained

NOW THIS INDENTURE WITNESSETH that in consideration of the said agreement for sale and in consideration of the sum of £5000 now paid by the said George Hills to the said Edward Franks (the receipt whereof the said Edward Franks doth hereby acknowledge)

HE the said Edward Franks AS BENEFICIAL OWNER doth hereby GRANT
unto the said George Hills

ALL THAT (describing the property in full)

TO HOLD the said premises UNTO AND TO THE USE OF the said
George Hills in fee simple subject to the estate for life of the
said Norman Owen in the same premises

AND the said George Hills doth hereby covenant with the
said Edward Franks his heirs executors administrators and assigns
that he the said George Hills his heirs executors or administra-
tors will when and as soon as any succession duty shall become
payable in respect of the premises hereby assured upon the death
of the said Norman Owen pay and discharge the same and will at
all times keep the said Edward Franks his heirs executors admini-
strators and assigns effectually indemnified against the same
and every part thereof and all actions proceedings costs charges
claims and demands whatsoever in respect thereof

IN WITNESS whereof the said parties hereto have hereunto
set their respective hands and seals the day and year first above
written

EDWARD FRANKS

LS

GEORGE HILLS

LS

RULE NISI.—In many cases it is necessary to apply to a court of law, generally a Divisional Court of the High Court of Justice, to grant an order that a certain person, or a body of persons, as the case may be, shall show cause why a certain order should not be made against him or them. The application to the Court is first of all made *ex parte* (*q.v.*), and if sufficient cause is shown a rule, or order, is granted, which is called a rule nisi because of the first word in the old forms when the Latin language was used—the word "*nisi*," meaning "unless"—the significance of the whole procedure being that the order asked for will ultimately be made effective "unless" good cause is shown to the contrary. When the case is eventually heard the rule is either discharged or made absolute. The principal cases in which rules are applied for are those which refer to mandamus (*q.v.*), prohibition (*q.v.*), etc.

RULES OF SUPREME COURT. The administration of justice would be impossible, however high the standard of law set up, unless a definite procedure was adopted to which all litigants must conform. Consequently there have been established for the High Court (*q.v.*) what are known as Rules of Court, and these are settled under the authority of the Judicature Acts by a special Rule Committee, a body consisting of the Lord Chancellor, the Lord Chief Justice, the Master of the Rolls, the President of the Probate, Divorce, and Admiralty Division, four *justi prius* judges, the President of the Law Society, one practising barrister, and one other person nominated by the Lord Chancellor. The rules are subject to revision and are altered to meet the various changing circumstances which naturally arise in connection with the administration of the law. Special rules of procedure are also in use for Scotland. The county courts likewise are under a similar kind of ordinance as to the administration of their jurisdiction. These county court rules are framed by five county court judges who are specially selected for the work, and are afterwards approved by the Rule Committee of the High Court and the Lord Chancellor. Prize Courts (*q.v.*) which are set up by Statute on the outbreak of war are governed by the Naval Prize Courts Acts of 1864-1915 under which rules of procedure are framed as in the case of other courts of law. The rules in force are those of 1914.

RULINGS.—The chairman at company meetings, although entrusted with very great powers, cannot exercise those powers in an arbitrary manner, nor in contravention of the regulations, statutory and otherwise (including those contained in the company's articles of association), which govern such meetings. His rulings must never oppress a minority nor stifle legitimate discussion, but should always be given with strict impartiality. It is for him to decide to what extent any motion or amendment which may be brought forward, comes within the scope of the business with which the meeting is competent to deal, but he must exercise his discretionary power with considerable caution, since if he rules out of order any motion or amendment which is relevant to the question before the meeting and within the scope of the convening notice, any resolution adopted by the meeting on such question will be invalidated in consequence. The chairman will lose neither dignity nor the confidence of the meeting by giving an explanation for any ruling which it is apparent is resented by a section of those present. This does not, of course,

mean that he should enter into any discussion on the subject; his remarks should be confined to a simple statement in justification of his decision. It is the chairman's duty to declare the fate of any motion or amendment which he has put to the vote, and in this connection it will be useful to quote Section 69 (s.s. 3) of the Companies (Consolidation) Act, 1908, which provides that

"at any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution."

The foregoing gives the chairman an authority for his ruling with regard to the voting by show of hands on a special or extraordinary resolution which cannot be disputed, provided he confines himself to the bare statement that the resolution has been carried, but in a case where the chairman gave the number voting each way and it was apparent from the figures that the resolution had not been carried by the requisite majority, the courts decided that the chairman's declaration was not, under the circumstances, to be considered as conclusive, and the resolution was set aside.

The chairman may be called upon to give a ruling on many occasions during the course of the proceedings at a meeting. Besides the instances already mentioned, the following may be cited:—

To settle some points of order, *e.g.*, speaker not confining his remarks to the question before the meeting.

To determine who shall address the meeting (more than one person having risen to speak at the same time).

To decide some incidental question, such as whether or not a poll has been properly demanded.

RUM.—An ardent spirit, of which the best quality is made by fermenting and distilling cane-sugar juice. Jamaica rum is well-known for its excellence, and Demerara and Mulhigue also produce good qualities. Various inferior grades are prepared from the skimmings of the sugar pans and molasses, or from molasses alone. The French product is obtained from beetroot sugar molasses, and is very unwholesome. Rum owes its dark colour to the addition of caramel or burnt sugar. It is sometimes flavoured with pineapple or other fruits. The average strength of the genuine spirit is about 40 per cent. over-proof, but in England an artificial product is often sold, consisting of silent spirit, with an admixture of acetic ether and other ingredients. A spirit known as "rum essence" is prepared in Italy, of which the chief constituents are strong spirit, sulphuric acid, starch, and a etc. acid. "Rum shrub" is the name given to a sort of liqueur generally made of rum, sugar, and lime juice, but varying with the manufacturer.

RUMANIA.—(SEE ROMANIA.)

RUMMAGING.—Rummaging is an expression used for the searching of a vessel by the officers of the Custom House to ascertain that no dutiable nor prohibited goods are concealed on board.

RUNNING DAYS.—This is a term used in chartering to denote consecutive days, including Sundays; the ship, therefore, not being limited merely to working days.

RUN ON A BANK.—If from some cause or other there is a fear entertained by the depositors of a

bank that there is not a certainty that the bank will be able to meet all its liabilities, either by the repayment of the money deposited with it or by cashing its own notes (providing it is a bank of issue), each depositor becomes anxious to secure cash at the earliest opportunity and so avoid any loss. When the demand for repayment is made by a large number of depositors, and a great concourse of them assembles at the bank itself, there is said to be a "run" upon it. Sometimes the fears are utterly groundless, and yet the bank may be placed for a time in a position of considerable difficulty, owing to the fact that it may be compelled to realise its securities at a great loss. But now, owing to the fact that there is such close intercourse between various banks, if it is positively known that the solvency of any establishment upon which a run is being made is beyond doubt, assistance is freely given from outside banks, and the possible loss is reduced to a minimum. In the absence of such certainty, however, a run on a bank is generally a prelude to its utter ruin.

RUPEE.—(See FOREIGN MONIES—CEYLON, INDIA, MAURITIUS.)

RUPEE PAPER.—The name given to the enfaced paper (*qv*), or promissory notes of the Indian Government. The dividend, or interest on the Rupee Paper is paid by drafts payable in India, which are obtained either by the holder of the promissory notes presenting them at the India Office, Bank of England, or by having the drafts posted to him by the Bank.

The accrued dividend upon most stocks and shares is included in the price and belongs to the purchaser, but in the case of Rupee Paper it is not taken into the price and therefore requires to be paid over by the purchaser to the seller in addition to the purchase price.

The notes are called "enfaced paper" because they bear an announcement on the face that the interest is payable by drafts to be obtained at the Bank of England.

The notes can be converted into stock at the India Office, Bank of England.

RURAL DISTRICT COUNCIL.—Before the rural district council was created, the local authority was known as a rural sanitary authority, and was managed by a local board of health under the various statutes which contain the law of public health. Power was given to the Local Government Board to create a district for public health purposes, and to increase or diminish the number of members of the local board. The persons appointed on the local board of health were much the same as those now elected on the rural district council. The legislative machinery has changed, but Acts of Parliament have not yet changed the fundamentals of human nature.

The Twofold Duty of the Councillor. In 1894 an Act was passed to make further provision for local government in England and Wales. This Act put into the hands of the electorate the management of every parish, and every rural and urban district in England and Wales. It requires that a guardian of the poor shall be a parochial elector residing within the union, and that women, married or single, may be guardians. The guardian must be elected by the parochial electors of his parish. For every rural sanitary district there shall be a rural district council, whose district shall be called a rural district. The chairman of a rural district council becomes a justice of the peace during the year in

which he serves the office. The councillors for the rural district must be elected by the same parishes as elect the guardians, and the number of councillors for each parish must be the same as the number of guardians. The district councillors of any parish in a rural district shall represent the parish on the board of guardians. Consequently, when a rural district councillor is elected to his office, he serves in two capacities: One day he attends a meeting of the rural district council to settle the ordinary affairs of his district; another day he attends as a guardian of the poor at the offices of the union.

The rural district councillor must be a parochial elector of a parish within his union, or he must have resided within the union during the preceding twelve months. He will be elected by the parochial electors of his parish. The term of office of the rural district councillor is three years, and one-third of the number goes out of office on April 15th of each year. The rural district council may elect its chairman from outside the members of its own body. Every rural district council is a body corporate by the name of the district council, with the addition of the name of the district. The council has perpetual succession, possesses a common seal, and may hold land for the purpose of its powers and duties.

Duties of the Council. The following powers were transferred to the rural district councils at their creation: All the powers, duties, and liabilities of the old rural sanitary authority, and of the old highway authority or highway board. The powers of the rural district councils as to highways are: To survey the highways within their district, to make new roads, to construct or adopt public bridges, to undertake the repair and maintenance of county roads and county bridges on behalf of the county councils. Where a road is liable to be repaired by a private person who fails to do his duty, the rural district council will do the work and recover the cost from the owner. The powers, duties, and liabilities of urban sanitary authorities are entrusted to rural district councils, those powers are: The regulation of bakehouses, dairies, cow-sheds, dwellings for the poor, baths and wash-houses, river conservancy, sewers and drains, public conveniences, scavenging and cleansing of streets, the making of by-laws, the abatement of public nuisances, the provision of water supply, inspection by means of medical and other officers, the regulation of offensive trades, the provision of hospital for infectious disease, the execution of the orders of the Ministry of Health in the case of epidemics, the regulation of streets and buildings by means of by-laws, regulations as to lighting, public pleasure grounds, markets, and slaughter-houses, the appointment of executive officers, the fixing of the rural district rate and the power of borrowing for district purposes, the preparation of accounts to be audited by a Government auditor—these duties and many others must be undertaken by the rural district council.

Other duties are the protection of rights of way, rights of common and roadside wastes, for which purpose legal action may be taken if necessary. Certain powers of granting licences, which used to be in the county justices, are transferred to rural district councils, *e.g.*, the licensing of gangmasters, grant of pawnbrokers' certificates, licences of dealers in game, passage brokers, emigrant runners, abolition of fairs or alteration of the days thereof,

execution of the Petroleum Acts, and infant life protection. (See LOCAL GOVERNMENT, TOWN COUNCIL, URBAN DISTRICT COUNCIL.)

RUSHES.—Various species of *Juncus*, with round stems, used for making chair bottoms, baskets, and inferior hats for exportation to China. Candle wicks are also made from the pith of certain rushes. Though this genus of plants abounds in Great Britain, there are large importations from Holland and other European countries, as the home supply is not sufficient to meet the demand.

RUSSIA.—**Position, Area and Population.** The Russian Lands, the second greatest in the world as regards area, stretch from the Baltic Sea to the Pacific Ocean, and from 35° north latitude to the Arctic Ocean. They occupy the eastern part of Europe, and the northern and central regions of Asia. Their area is approximately 8,700,000 square miles, and their population 180,000,000 or approximately 20 to the square mile. Included in the Russian Lands are Finland, Poland, the Ukraine and Lithuania (described in detail elsewhere), and the following: The Bolshevik (Majority) areas including the former governments of Petrograd, Olonetz, Novgorod, Tver, Smolensk, Moscow, Tula, Riazan, Vladimir, Yaroslavl, Vologda, Kostroma, Nijni-Novgorod, Kazan, Viatka and Perm; Siberia, North Russia (Archangel and Murmansk), the Baltic Republics—Latvia (Courland and Livonia) and Estonia, the Don Republic, the Daghestan Republic, the Azerbaijan Republic, the Republic of Georgia (the former governments of Tiflis, Kuban, Elizavetpol, Baku and Erivan), the Kuban Republic, the Tartar-Bashkir Republic (the former governments of Samara, Ufa and Orenburg), the Republic of White Russia (the former governments of Minsk and Moghilev), the Land and Terek Republics, and Russian Turkistan.

EUROPEAN RUSSIA AND CAUCASIA. European Russia has the Arctic Ocean on the north, Sweden, the Baltic Sea, Germany, Czechoslovakia, Hungary and Rumania on the west, the Black Sea, Sea of Azov and Caucasus Mountains on the south, and the Caspian Sea, the Ural Mountains and the Ural River on the east. Its area (including Cis-Caucasia) is about 2,000,000 square miles and its population about 150,000,000, two thirds of which is concentrated in Poland, the central industrial area, and the agricultural "black lands."

Coast Line. The coast line consists mainly of the shores of five inland seas—The White Sea, the Black Sea, the Sea of Azov, the Caspian Sea, and the Baltic Sea. In comparison with its vast area, the coast line is extremely short, and another great disadvantage to the country is the lack of harbours ice-free all the year round. Most of the harbours are blocked by ice in winter, even those of Libau and Odessa are closed in the middle of severe winters. Russia has made efforts to extend its territory westward into the Balkan countries, and eastward and southward into China, to secure an ice-free port on an important sea, but has been unsuccessful.

Build. European Russia is, in the main, a vast undulating plain, stretching 1,700 miles from north to south, and 900 miles from east to west, and never rising above 1,200 ft. in height. The highest area of the much worn Russian plateau is found in the Valdai Hills (1,150 ft.), south-west of Petrograd, the culminating point of the central belt in which the great rivers rise. In the east, the Urals rise to heights of 3,000 ft., and in the Crimea are the Yaila Hills. The Caucasus, in the south-east, consist of

rugged parallel ranges, well wooded in the valleys and on the southern slopes, and with glaciers on their crests. Many summits rise to heights of 17,000 ft., and Elbruz attains a height of 18,470 ft. There are few passes over the mountains of the Caucasus, and all are difficult. Russia is well provided with rivers, but the continental nature of the climate affects the depth of the water, and the long and severe winters render them practically useless for many weeks. The rivers, however, are necessarily slow and navigable and their headwaters can often be connected by artificial waterways. Four drainage systems may be distinguished: (1) To the Baltic Sea flow the Neva, Western Dwina, Niemen and Vistula; (2) to the Black Sea flow the Dniester, Bug, Dnieper (1,200 miles), and Don; (3) to the Caspian Sea flow the Volga (2,300 miles) and Ural (1,100 miles—mainly Asiatic); and (4) to the Arctic Ocean flow the Petchora, Northern Dwina, and Onega. Finland, in the north, is studded with lakes of various sizes, occupying glacier-formed rock basins. Lake Saima is a triple lake, and one of the largest in Europe. Lakes Onega and Ladoga lie between the Gulf of Finland and the White Sea, and fill part of the depression extending between these inlets. The Caspian Sea is the largest salt-water lake in the world; it was formerly of much greater extent. Its retreating waters have left a desolate plain, which is below sea-level, and is dotted with shallow salt lakes. Much of the marsh land of European Russia could be gained for useful tillage by draining. The Pripet or Rokitno swamp has been partially drained.

Climate, Soils, and Natural Regions. The climate has a vast range, from that of the Arctic in the north to that of the "Mediterranean" in the south. The annual isothermal lines run, as a rule, from the north-west to the south-east, so that Petrograd on the west, Moscow in the centre, and Samara and Orenburg in the east all have the same mean annual temperature of 4° C (39.2° F). Eastwards the average annual temperature declines rapidly, and this is caused by the severity of the Russian winter, which becomes more marked as one proceeds to the east. Speaking generally, the climate with few exceptions is one of great extremes of heat in summer and cold in winter. Moving from west to east, the winters become rapidly colder, and the summers moderately warmer, while proceeding from south to north the summers become rapidly cooler, and the winters only moderately colder. The Russian winter surpasses that of the spring wheat region in the United States in duration, and hence there is a long period of suspended agricultural labour and enforced idleness for the large peasant population, and crops of quick-ripening properties are a necessity. Only in the most southern and south-eastern regions of Russia does the number of days with a temperature below freezing point, fall below 100. In North-east Russia the rain and snowfall combined are about 20 in.; in Central Russia they increase to above 20 in.; in the vast Russian steppes they sink well under 20 in., while the Caspian Depression is the driest and hottest region in Europe. Like every mountainous country, Caucasia has a great variety of climates. Northern Caucasia has a mild climate, the temperature never falling below freezing point in a great many places. Trans-Caucasia has the climate of southern Italy; the east, however, suffers much from lack of moisture, and irrigation is an absolute necessity. The sheltered valleys of the

Crimea, opening to the south enjoy a "Mediterranean" climate. The summer heat is a factor of prime importance to Russian agriculture.

North-west of a line which begins on the old Polish frontier and passes by Lake Ilmen and east of Lake Onega to reach Archangel, the surface of European Russia is marshy and lake-strewn, while the drainage is irregular. These factors are specially marked in Finland. All this belt was included within the last extension of the northern ice, and is covered with coarse glacial debris. To the east and south-east of the line lakes are no longer present, and the area, which was invaded by an earlier ice-sheet, is clothed with glacial material which has been rearranged and sorted by flowing water. The limits of this second area are given by a line which starts from the sources of the Petchora, crosses the Volga at its great bend near Kazan, passes south of Moscow to reach the bend of the Desna, and then turns north-west into Poland. This area, which includes a very large part of European Russia, and the whole of the Moscow region, is partially forest-clad and partially cleared. The arable lands are not very fertile. South and south-east of the line mentioned the land was never ice-covered, and is now clothed with a thick, loamy soil, due apparently to wind-action. In places the loam is mingled with plant debris and forms the famous wheat-producing black soil (*chernozom*) of Russia. The black soil is a very uniform and definite structure, and is estimated to cover 260,000,000 acres. The high proportion of organic matter (humus) in the *chernozom* soils gives them their dark colour, they vary in depth from a few inches to 3 or 4 ft., and their moisture-holding capacity is indispensable in this region of low rainfall.

European Russia divides into eight natural regions -

- 1 The Frozen Desert Region or Arctic Tundra of the north, lies north of the 65th parallel of latitude, and produces lichens, mosses, and stunted bushes. Low berry-bearing bushes grow in sheltered situations, and in the brief summer a brilliant Alpine flora is found.

- 2 The Coniferous Forest Region lies to the south of the Tundra, and stretches from the Onega River to the Urals. Climatic factors limit the growth of all but hardy trees.

- 3 The Deciduous (trees whose leaves fall off in autumn, and a rest period ensues through the winter) Forest Region lies to the south of the Coniferous.

- 4 The Steppes Region of the south-east is mainly a pastoral region. The arid parts are inhabited by nomad Tartars.

- 5 The Crop-growing Black Earth Region of the Russian Steppes lies to the west of the pastoral, grassy steppes and stretches from the Danube to beyond the Volga.

- 6 The "Mediterranean" Region of warm, dry summers and comparatively mild, wet winters includes the Crimea, the shores of the Black Sea, and parts of Caucasus.

- 7 Semi arid Caucasus, with its irrigated sections.

- 8 The Caspian Depression, with its saline soil, scrub vegetation, and vast reed swamps.

Production and Industries. Agriculture. Russia is essentially an agricultural country, but farming is in a backward state owing to the communal system of land-holding, the antiquated methods employed, and the poverty and ignorance of the peasants.

Changes must take place in the system of land-ownership, and in education, if the country is to make much economic progress. Of its 150,000,000 inhabitants over 110,000,000 are engaged in work on the land. Poland has a better system of agriculture than Russia. Cultivation is carried on from the Black Sea to beyond 60° north latitude; in the more northerly tracts, crops are grown in the forest clearings. Barley and oats appear in the southern part of Archangel and Vologda, and winter rye is also produced in the same regions. Wheat, mainly spring wheat, extends in a belt north of the pastoral steppes of the Black Sea; the climatic and soil conditions are excellent for the growth of high-grade wheats, but the yield per acre is a low one. Maize is grown in the south, where the temperatures are sufficiently high in summer for it to mature. Barley has a wide range, being found in the north, centre and south. Flax is largely cultivated both in the north and in the south. Hemp is grown in the forest clearings of the west, while rye, the main food product of the peasants, is grown in almost all districts but the salt steppes. Sugar beet is raised in large quantities in the Dnieper and Dniester Valleys, and tobacco is also produced in the same regions. Potatoes are largely grown in the north-west. The vine and other Mediterranean fruits and products are produced in the regions possessing the "Mediterranean" climate. It is important to note that Russia has occupied in certain years the first place in the world's supply of wheat, and, as regards flax, hemp, rye, and barley, it occupies the highest position in normal times.

The Fishing Industry. The river fisheries and those of the Caspian Sea are very productive. The sturgeon is the chief fish caught; and the preparation of caviare forms an important part of the fishing industry of Astrakhan and the Caspian. A considerable quantity of sturgeon caviare is exported abroad, about half of the annual production being kept normally for the home market. Seal fishing is carried on in the Arctic Ocean and the Caspian Sea.

Forestry. Next in importance to agriculture come the immense timber reserves of Russia, which may be said to represent an untold source of wealth, the magnitude of which will only be realised when an adequate system of communication enables them to be worked in a businesslike manner. Russia's position as the "land of forests" cannot be denied, and its future as a great timber-producing country seems assured. Forests occupy two-fifths of the whole country. The pine, spruce, and larch are obtained from the coniferous forests, and oak, ash, beech, and lime from the deciduous forests. Timber is used for building material as Russia is very deficient in stone, it yields charcoal fuel for domestic and industrial purposes, and is the second export after grain and flour. Pitch, tar and turpentine are obtained from the pine, the silver birch and other barks support a tanning industry, and wood pulp is produced in large quantities. The fur-bearing animals of the forests supply very valuable furs and skins. Much timber is exported from Petrograd, Riga, Cronstadt and Archangel.

The Pastoral Industry. Fertilisation is becoming a necessity in many parts of Russia, even on the "Black Lands," and hence special significance attaches to horse and cattle raising in Russia, as these animals, besides being important as a source of power, also produce large quantities of cheap fertilisers. Millions of sheep are reared on the



steppes, and cattle, goats and horses are also fed in large numbers. Cattle are important all over the country. On the poorer steppe lands and the tundras the pastoral inhabitants are nomadic. Pigs roam in the oak and beech forests of the deciduous forest region. The reindeer is kept in the tundras, and camels are reared in the south-eastern steppes. Dairying and poultry-keeping are important in the Baltic Republics and the Ukraine. Russia possesses a very large number of domestic animals, 177 million head, taking second place in the world with regard to the number of stock, being exceeded only in this respect by the United States. The pastoral regions would seem to promise a great future for Russia in the meat market of the world. The chief obstacles in the way are the lack of ways of communication and of the means of sending the meat to the market in a refrigerated condition.

The Mining Industry. The mineral wealth of Russia is enormous, and recent years have seen great activities in the mining industry. Much foreign capital and highly skilled labour have been employed. Every known metal is said to be found in the Urals. Russia stands first in the world production of platinum, second in the production of petroleum, asbestos and manganese ores, fifth in gold, seventh in copper and asphalt, and eighth in the world production of iron. Coal is found in the Ural Mountains east of Perm (not much worked), in the region south and south west of Moscow, chiefly the Oka Valley, with Tula as centre, in the Donetz Valley, the largest coalfield of all (70 per cent of the supply), and in the Caucasus where, owing to lack of transport facilities and want of capital, the supplies are little utilised. Russia is particularly well provided with iron. The rich deposits of ore in South Russia, in the Urals, in Central Russia, Caucasus, and the Khirghiz Steppes render the future of the iron and steel industry very promising. The high quality of the famous Krivoy Rog ore, with a content of iron of 62 per cent, is well known. The gold ores of the Urals supply a large quantity of the wolframite, osmium, tantalum and niobium used in the manufacture of electric lamps. From this region also are obtained precious stones (emeralds, sapphires, topazes, amethysts, alexandrites, tourmalines), and much of the malachite and lapis lazuli which is worked up into objects of art. Platinum mines between Ekaterinburg and Perm produce 95 per cent of the world supply. No other country in the world has such a wealth of manganese as Russia. There are two great manganese districts, one at Chaptouri, in the province of Kutais, which extends over the whole central part of the basin of the River Kura, in which the richest mines are situate, and the other at Nikopol, in the province of Ekaterinoslav. Copper is found in the Urals, Caucasus, and the Khirghiz Steppes, the Urals accounting for 60 per cent of the output. Salt is obtained in the Caspian Depression, in the Crimea chiefly from brine lakes, and in the centre and north from rock-salt. Mercury is found in the Government of Veronezh, and marble in Finland and the Crimea. The Russian deposits of oil on the northern slopes of the Caucasus chain, and particularly at the eastern extremity thereof at the town of Baku, are of great importance. Other parts of the same field have recently been gaining prominence, and especially is this true of the Grozny district. The petroleum is exported from Batumi, on the Black Sea, in specially built

tank steamers, the oil being conveyed from Baku to Batumi by a pipe over 500 miles long.

The Manufacturing Industries. Though Russia will have to rely on extractive industries for some years to come, yet its manufacturing industries before the War were developing fairly rapidly, and capital had been attracted from France, the United Kingdom, Belgium, Germany, and the United States. Cheap labour, abundant mineral wealth, and large supplies of raw materials, backed by a future well-organised railway system should give Russia a foremost place in manufactures. The most important industries before the War were the distilling, textile and metallurgical, which together made up 84 per cent of all the manufacturing industries of the country. Secondary rank is attained by the elaboration of animal products, the chemical, paper, timber and mineral industries. In Southern Russia the iron and steel industry is important. Krivoy Rog, Mariupol, Berdiansk and Yuzovka are important centres. The Don Valley has huge ironworks at Tula, and at Bransk there is an ordnance factory. Other centres are Zlatoust, Tagilsk, Ekaterinburg and Perm. In the textile industries hand labour is being largely displaced by factory labour. Cotton, wool, flax and hemp are the chief textiles, and Petrograd, Moscow, Vladimir, Iver, Smolensk, Kaluga, Kostroma, Yaroslavl, Nizhny and Pskov are the chief centres. In the beet-growing district, especially around Kiev, the sugar industry employs many people. Tobacco is prepared at Samara, Saratov and Kishinev. Leather is manufactured at Kharkov, Moscow, Tula and Petrograd. Moscow and Petrograd have varied manufactures. Domestic manufactures are as yet more important than the factory manufactures.

The Waterways. Russia is well provided with lakes and navigable rivers, the total length of inland waterways being about 52,000 miles. Russia is so level that her waterways, although shallow in summer and frozen in winter, provide extensive cheap navigation. By river and canal goods may reach the Baltic from the Caspian and Black Seas, or the White Sea from the Caspian, and the cutting of an 80-mile canal from the Tsaritsin bend of the Volga to the Don would connect the Caspian with the Black Sea. Unfortunately, the waterways have nowhere a free oceanic outlet, except through the White Sea, which is closed by ice for most of the year. The Volga with its tributaries provides navigable waterways for much of the country, though its value is lessened by its flowing into the Caspian Sea, and its liability to be obstructed by sandbanks which rapidly accumulate where the slow current meets with any impediment. Goods for export to the Black Sea have to be transmitted by rail from the Volga to the Don. The Dnieper, the main waterway to the Black Sea, is impeded by rapids in its great bend to the east. Rapids also are a hindrance to the navigation of the Dniester, Bug and Neva. Engineers have not yet overcome these difficulties, but doubtless they will be coped with in the near future. Sledge traffic takes the place of boat traffic in the winter, the routes following the river courses.

The Land Routes. Roads are poor and few in Russia, the absence of road-building material and the shortage of labour are great drawbacks to their construction. The deficiency of roads is made up to some extent by the waterways, the ease of railway construction and sledge traffic in the winter. Railway construction was delayed in Russia owing

to the vast extent of its waterways and its former small commerce. The great difficulty in railway construction has been the wide rivers, which necessitated long bridges, but the build of the country has rendered great aid. Moscow is the centre of the railways, and from it lines radiate in all directions, giving connections with Vienna, Berlin, Petrograd, Archangel, Port Arthur, Vladivostok and the ports of the Caspian, Black and Baltic Seas. Westwards from Moscow a railway runs through Smolensk and Minsk to Warsaw, and eastward a line passes through Penza, Samara and Ufa. At Samara, Asiatic routes diverge, the Trans-Siberian passing through Ufa and Cheliabinsk, and running eastwards to Vladivostok and Port Arthur, while the line to Russian Turkestan runs south-eastwards through Orenburg. Southwards, lines proceed (1) to Rostov on the Sea of Azov, (2) to Kherson, passing through Tula, Orel and Kharkov, and (3) to the mining and manufacturing regions round Tula and Kiev. North-westwards a line passes through Tver to Petrograd, and northwards a line runs through Vologda to Archangel. From Rostov a line proceeds to Vladikavkaz, and, skirting the northern and eastern base of the Caucasus Mountains, runs to Baku. Tiflis is reached from Baku by a line following the Kur Valley, and the line is continued westwards to the Black Sea ports of Poti and Batumi. The mining region of the Urals is served by railways: (1) from Iumen to Ekaterinburg, and (2) from Kotlas through Viatka, Perm and Ekaterinburg to Cheliabinsk, where connection is made with the Trans-Siberian line. The latest Russian railway is destined to be of great importance. It connects Petrograd with Alexandrovsk, a practically ice-free port in the north of the Kola peninsula, at the mouth of the Tuloma River. Railways in Russia have been constructed less for commercial purposes than for military purposes. The closeness of the network of the lines in certain regions is an indication of the productive capacity of these regions and their trade.

Commerce. In normal times Russia's inland trade is far more important than her external, though the latter is considerable and fast increasing. The export trade tends to increase, and the import trade to decrease. Much trade is done at the great fairs held at different centres, the most notable being Nijni-Novgorod. The character of the fairs is now changing owing to the commercial development of Russia, the construction of railways, and the employment of commercial travellers. There is little variation, however, in the amount of trade transacted at the fairs. Among the goods brought to the fairs are raw cotton from Bokhara and Tashkent, wool from the Steppes and Bokhara, hair, skin and hides from the Steppes, furs from the north, rice, coffee, sugar and tea from Asiatic countries, and manufactured goods from the south and centre. Sea-borne commerce is handicapped by lack of a port on an ice-free sea. The exports, as might naturally be expected, are chiefly agricultural products and timber. In order of importance, the chief exports are corn and flour (wheat being far more important than oats, barley, maize, or rye), butter, eggs, wood and wooden goods, flax, furs and leather. Other exports include petroleum, manganese ore, iron ore, fish products, hemp, linseed, platinum, horses, cattle, wool, tobacco and meat. The imports include raw cotton, metals, coal and coke, metal goods and machinery, tropical produce (tea, coffee and rice), fruits, wines and

textiles. Most trade has been with Germany, followed by the United Kingdom. The chief ports are the Baltic ports of Petrograd, Riga, Libau and Reval, Archangel on the White Sea (open for about half the year), the Black Sea ports of Odessa, Nicolaev, Kherson and Batumi, Rostov and Taganrog, Sea of Azov ports, and the Caspian ports of Baku and Astrakhan. If considerations are given to the number of the population, the foreign trade is small, though large when taken in bulk. The value per head is less than that of any other European country.

Trade Centres. Petrograd has a population of about 2,000,000. Moscow has about 1,600,000, and there are five other towns with populations exceeding 200,000. It must be borne in mind that though Russian cities have grown greatly during the past sixty years, nevertheless the urban population is still very small, being only about 13 per cent. of the whole.

Seaports. *Petrograd* (2,000,000), the largest city, stands on the canalised Neva, and ranks as the second port, though the Neva is blocked by ice for about four months of the year. It is an important commercial and manufacturing centre. Its communications with the interior by rail and canal are good. Textiles and iron and steel goods are among its manufactures. Petrograd was founded by Peter the Great, in 1703, on piles driven into the swampy ground. The Baltic Provinces were thus Russianised, and an outlook on Western Europe was secured. *Kronstadt* guards the entrance to the Neva.

Odessa (see under UKRAINE) ranks first as a port in the amount of trade done.

Riga (400,000), at the mouth of the Dvina, is the third port. It exports Baltic produce (corn, timber, flax, hemp, dairy produce and furs), and manufactures soap, glass, textiles, leather, tobacco and machinery. *Derisk* is its port for large shipping.

Archangel (36,000), Russia's oldest seaport, stands on the White Sea at the mouth of the Northern Dvina. It exports the products of the forests, and the furs of the forests and tundras, as well as flax, hemp and oats. Its port is only open for a few weeks in summer.

Reval (74,000), on the Baltic, is free from ice five weeks longer than Riga. It imports cotton and exports spirits.

Libau (port seldom closed by ice), *Pernau*, and *Windau* are all on the Baltic, and export Baltic produce, especially Libau.

Nicolaev on the Bug and *Kherson* on the Dnieper export steppe products. *Akerman*, *Keich*, and *Fedostia* are minor Black Sea ports, and *Sebastopol*, in the Crimea, is a naval port.

The chief ports on the Sea of Azov are *Taganrog*, *Mariupol* (port of the Donetz coalfield), *Eov*, *Rostov*, and *Berdiansk*.

Kherson and *Rostov* have manufactures of soap, tallow and macaroni.

Astrakhan (150,000), commanding the Volga and the Caspian, is the chief Caspian seaport and a great fishing port. It handles oil from Baku, and is an important trade centre for wool, silk, and other Eastern produce. Its sturgeon fisheries are important, and it manufactures caviare, isinglass, silk, cotton and leather goods. It is connected by river and canal with the Baltic. Astrakhan fur is made from the wool of the Bokharan sheep.

Novorossisk, on the Black Sea, is a rising grain port of Caucasasia.



Coast Line. The northern Arctic coast is low, flat and dreary. Fjords penetrate the land, and islands fringe the coast, where the Ob and Yenisei estuaries open to the Arctic. Farther east, the rivers form great deltas at their mouths. Trade is

Middle Siberia includes the two provinces of Ennsisk and Irkutsk, and covers the enormous area of 1,265,000 square miles, about one-tenth of which is fit for agriculture. In the agricultural zone the average winter temperature is 0.4°F and

the average summer temperature 61.9° F. The precipitation is 14 in. Sporadic agriculture is found in the zone of taigas in small, specially favoured localities only, since the average temperature of the five months of the vegetative period is only 51.8° F.

The Yakutsk Territory occupies an area equal to half that of the United States. A land with an average winter temperature of -27.4° F. in the southern part, and -52.6° F. in the northern, and containing the earth's pole of cold at Verkhoyansk (January temperature, -62° F.), is unfavourable to agriculture, even though the average summer temperature reaches 55.4° to 59.0° F. Even in the most favoured regions the soil remains frozen throughout the year at the depth of $\frac{1}{2}$ yd. or less. Less than 100 square miles are devoted to agriculture, chiefly the growing of barley.

The Amur-littoral Region comprises the Transbaikalian territory, Amuria, and the littoral region. Transbaikalia has an extreme continental climate, its winters are very severe. Its high summer temperatures (average 63° F.), and heavier rainfall than that of the three regions previously mentioned, make agriculture more certain. Almost half its area is considered suitable to agriculture. Temperature conditions are even more favourable to agriculture in the Amur territory, but excessive humidity and the inundations by the Amur River limit the agricultural territory to about 45,000 square miles. The littoral region, with a varied climate, has in Kamchatka an area almost outside the limits of agriculture, while in the Ussuri, or southern part of it, agriculture is rapidly developing.

Productions and Industries. Agriculture is the principal occupation of the people of Siberia, and will greatly develop when the Siberian Railway is provided with branch lines, and immigration increases. In normal years the annual immigration is 700,000 and 4,000,000 acres of new land are brought under the plough. Siberia is looked upon as an important future granary of the world, but its full agricultural possibilities cannot be estimated for many years to come. Hardy and drought-resisting cereals give promise of success. There is sufficient land available in Siberia for an enormous extension of agriculture, if the supply of labour becomes assured. The systems of agriculture vary, but may be generally classed as very primitive. Wheat is the main Siberian crop, and other agricultural products include barley, oats, rye, and potatoes. Economically, Siberia is in its infancy. Half a century ago it was scarcely more than a penal settlement; now the agricultural steppe lands have been largely taken up, so that the present immigrants have to make extensive clearings in the forests. As regards temperature, rainfall, soil, and agricultural products, the reader is advised to compare agricultural Siberia with North-west Canada. The imposing dimensions of Siberia must not blind one to the fact that only a comparatively small percentage of the area can ever be available for agriculture of the temperate type, perhaps agricultural science may render more land available by supplying more hardy, quick-growing and drought-resisting plants than at present exist. An interesting point is that wheat has matured in some favourable seasons in latitude 63 $\frac{1}{2}$ ° north. One of the most fertile parts of Siberia lies south of the Siberian railway from the Ob to the Yenisei, extending almost to Semipalatinsk. It is said that this district alone might grow sufficient wheat to feed 600,000,000 people.

The Pastoral Industry. Sheep, cattle, and horses are reared in great numbers. The average Siberian peasant is very well provided with cattle and working animals. The cattle industry is important in various parts of Western and Middle Siberia; and in the moist Amur-Ussuri valleys the rich pastures and prolific crops of soya bean lead to cattle-rearing for meat. The Trans-Siberian railway, by opening world markets to Siberian produce, has stimulated the dairy industry and exports of butter. In the tundra the reindeer is the draught and milk-producing animal.

Hunting and Fishing. The wandering tribes of the tundras—Samoyeds, Yakuts and Tunguses—secure a scanty means of subsistence by hunting and fishing. The chief products are skins, furs, seals, and fossil ivory. Numerous fur-bearing animals—the sable, fox, marten, squirrel and ermine—are hunted in the forest region, but the fur industry is not so important now as formerly.

Forestry. The forests of Siberia contain much valuable timber, but the export is small, being checked by distance from markets and poor transportation facilities. Forestry will, doubtless, become more important in the future. In inland commerce, timber is of importance for house-building and fuel purposes. The forests act as a protection to the agricultural territory, and their destruction will have the effect of increasing the dryness, which at present is near the limit for successful agriculture. Hence, afforestation may become a necessity.

The Mining Industry. Siberia possesses vast mineral wealth, which in many parts lies practically untouched. Mining is developing, and among the mineral resources worked are gold, silver, copper, and graphite. At Kuznetsk, about half-way between Barnaul and Krasnoyarsk, excellent anthracite and coking coal are found. At present coal is only mined in the northern portion of the field, where the latter is crossed by the Trans-Siberian Railway, but in the whole basin there is calculated to be a reserve of 12,500,000,000 metric tons. Coal also is worked in Sakhalin. By far the greatest percentage of Russian gold and silver comes from Siberia. The chief mineral regions are: (a) the Altai Mountains (rich in gold, silver, lead, and precious stones), (b) the Sayansk highlands, from the upper Yenisei to Lake Balkal, (c) the Amur highlands, and (d) the extreme north-easter highlands. All are rich in gold, but quartz-crushing is little developed, and the metal is mainly obtained by washing gold-bearing gravel. As in the Klondyke region of Canada, the frozen gold-bearing earth has frequently to be thawed by fires placed upon it. The Sayansk region is rich in silver, lead, graphite (from the famous Albert mine), nitre, and precious stones, and its trade is shared between Krasnoyarsk and Irkutsk. The Amur highlands yield silver, iron, copper, lead, and quick-silver; the chief centre is Nerchinsk, on the upper Amur.

Communications. Roads are few in Siberia, are poor in quality, obstructions are provided by swamps and forests, and the lack of road-building material is a serious drawback. An important land route, known as the Trakt, runs from Perm to Kiakhta, and is continued to Peking in China. In summer water transport is easy, but navigation is impossible during the long winters. The numerous east and west tributaries of the main stream largely aided Russian expansion to the east. There is an almost uninterrupted waterway available the summer from the Urals to the Pacific, and

canal connecting the Ob and Yenisei helps to complete the waterway between Lake Baikal and the Urals. The three great river systems provide thousands of miles of navigation, and a short canal from the Lena to the Lower Tunguska tributary of the Yenisei would enable steamers to reach Irumen from Yakutsk, the great Lena fur centre. The Yenisei is navigable to Krasnovarsk, the Angara to Irkutsk, and the Amur to its junction with the Shilka. A great disadvantage to the interchange of productions in the internal trade of Siberia is the similarity of the products of the various regions. Steamers on Lake Baikal serve local traffic well, but the number of steamers on the Amur is insufficient for the traffic. The use of ice-breaking steamers, and the remission of customs duties on goods entering and leaving the northern harbours, might perhaps lead to a fairly important trade in the summer. Siberia is traversed from west to east by the Trans-Siberian Railroad, now double tracked. It connects Petrograd and Vladivostok, a distance of about 6,000 miles. From Moscow the line runs through Samara to Chelyabinsk, crosses the Urals at Kama, and proceeds by Omsk, Krasnoyarsk and Irkutsk to Lake Baikal. Eastwards, along the southern shores of Lake Baikal, the railway proceeds through Chita and Chinese Manchuria to Vladivostok. Harbin is an important junction, the line branching (1) to Vladivostok and (2) through Mukden to Nanchuang and Port Arthur. Sledge traffic is important in Siberia in winter. The proposed South Siberian Railway from Orenburg will cross the great Ob-Yenisei Altai, agricultural and mineral region.

Trade. The trade of Siberia with Western countries passes through Europe in Russia. Trade with China is overland, and tea is an important product. Vladivostok is the chief port for the Pacific trade. The chief products carried on the Trans-Siberian Railway westwards are wheat, meat, butter, hides, tallow, tar, pitch, wool, eggs, game, and tea (from China). Eastwards iron and ironware, cottons and woollens, sugar, petroleum, and machinery are the chief commodities conveyed. Kosa, Koval, Ulan and Petrograd export much Siberian produce.

Trade Centres. *Irkutsk* (110,000), the capital of Eastern Siberia, is on the river Angara. It commands the Trans-Siberian route into China, and is an important lake and rail junction and manufacturing centre. Gold mining is carried on, and fur and tea are important trade products.

Tomsk (120,000), on the Tom, is the capital of Western Siberia, the best-built town, and the chief depot for Altai products. It is an important trade centre, and possesses a university.

Kяхhta, on the Chinese frontier, opposite the Mongolian town of Maimachin, commands the caravan route to China. It trades in brick tea and furs.

Vladivostok (94,000), 5,400 miles by rail from Moscow, is the chief Siberian Pacific port, and one of the Pacific termini of the Trans-Siberian Railway. It has a large and increasing trade with Eastern Asia and North America. Its harbour is ice-bound for about a month in the year.

Krasnoyarsk (63,000), on the Yenisei, is the centre of a gold-mining district.

Tobolsk, at the confluence of the Tobol and Irtysh, once the capital of Western Siberia, trades in grain, salt, and fish. It is a route centre and university town.

Yakutsk, the chief town on the Lena and a great

fur centre, is one of the coldest towns in the world.

Chita is the capital of Transbaikal, and an important railway town.

Petropavlovsk, on Avatcha Bay, is the chief town of Kamchatka. It possesses a fine harbour, and is a great fishing and fur centre.

Khabarovsk is the terminus of the Ussuri-Vladivostok railway.

Tiumen, a railway terminus of increasing importance directly connected with Petrograd via Perm, the oldest town in Siberia, stands on a tributary of the Tobol. It is a fair centre, and manufactures carpets and leather. The waterway to the Pacific commences here.

Nethinsk is an important mining centre in Transbaikal.

Barnaul, in West Siberia, is a great agricultural and dairy centre.

Omsk (90,000), on the Irtysh, is an important railway town, steppe market, and water junction. It is the centre of a rich (black earth) agricultural and pastoral region, and exports wheat, meat, butter and eggs. Furs and tea are exchanged for steppe hides. It is often called the "Capital of the Steppes."

RUSSIAN CENTRAL ASIA AND THE STEPPES. **Position, Area and Population.** Russian Central Asia, with the Steppe Province, stretches from the south of Siberia to the Afghan and Persian frontiers, and from the Caspian Sea to the Altai Mountains. This region includes the Steppe Provinces of Uralsk, Turan, Akmoinsk and Semipalatinsk, the Trans-Caspian Province lying between the Caspian and Aral seas, Russian Turkestan containing the Provinces of Ferghana, Samarkand, Syr Daria, and Semirechensk, and the Khanates of Khiva and Bokhara. The area of the Steppes is 711,000 square miles and its population 3,500,000, while Russian Central Asia has an area of 656,000 square miles and a population of 7,000,000.

Build. Much of the region is dry, barren steppe land, with salt lakes and sandy deserts. Fertile areas occur along the river banks and in the mountain valleys. Two plains may be distinguished: (1) The Western round the Caspian and Aral Seas, very low, and sinking in some parts below the level of the ocean, and (2) the Eastern, rising to the lofty Pamir plateau and the Tian Shan Mountains. The drainage is internal and mainly to the Sea of Aral ("The Islets"), a brackish lake almost the size of Scotland. The Amu Daria (Oxus), and the Syr Daria (Jaxartes), fed by the glaciers of the lofty mountains to the south and east, flow to the Aral Sea. The Ili enters Lake Balkhash through a swampy delta; but the Zaratshan, Murghab, and the Heri Rud dry up in the sands. Lake the Caspian Sea, the Aral Sea and Lake Balkhash are shrinking on account of the great summer evaporation and the amount of mud brought down by the slow-flowing rivers.

Climate. The climate is characterised by great extremes—intense heat in summer and intense cold in winter. Irrigation is necessary on account of the small rainfall, and were it not for its bordering mountains, the country would be uninhabitable.

Productions and Industries. *Agriculture* is largely dependent on the rivers. The Syr Daria and its tributaries create the fertile regions of Ferghana and Tashkent, the Zaratshan creates the oases of Samarkand and Bokhara, the Amu-Daria creates the oasis of Khiva, and the Murghab creates the

oasis of Merv. The Ili and Ferghana Valleys, besides being well watered, possess a rich, black soil, comparable with that of the chernozom. Cultivation keeps to the mountain valleys and the river courses, and much irrigation is practised. Fine "Upland" cotton, cereals (maize, rice, wheat, barley), silk (mulberry trees), fruits (especially stone varieties), wine, flax, tobacco, and hemp are produced. Unlike its European rivals Russia now produces more than half the cotton that it uses.

The Pastoral Industry. The population in the Steppes and the arid tracts is naturally nomadic and pastoral, passing on from spot to spot as the pasturage is exhausted, and settling down in winter with stores of hay accumulated from the summer growth. The chief animals are fat-tailed sheep, cattle, horses, goats, vaks and camels. Kara Kul is famed for black lambs' wool ("astrakhan") and wool, hides and leather are important exports.

Mining is carried on to a very limited extent. The mountains are rich in minerals, but only iron is appreciably worked. Petroleum abounds near the Caspian, and furnishes fuel for Trans-Caspian locomotives.

Manufactures of the domestic type include cotton, wool, silk, and leather goods.

Communications. Apart from railways, communications are entirely by camel caravan. Andjan and Marjlan, the termini of the Trans-Caspian Railway, communicate by difficult passes with Kashgar and Yarkand in Chinese Turkestan, but the easier Ili valley route through the Dzungarian Gate to Kulja is preferred. The Syr and the Amu, although shallow, provide considerable navigation for small craft. The Trans-Caspian Railway from the ports of Ussanada and Krasnovodsk, on the Caspian, links all the oases towns, passing through Merv, Chirchik, Bokhara, Samarkand, Khoyent, Kokand, and Marjlan to Andjan in Ferghana, a distance of nearly 1,900 miles. Sexual hedges in the south and west keep frequent sand storms from engulfing the railway. From Merv a branch runs south to Kushik, near the Afghan frontier, and a second branch runs from where the trunk line touches the Syr to Tashkent. The Central Asian Railway runs from Orenburg, in European Russia, to Tashkent.

Trade. Foreign trade is mainly with European Russia, the large share formerly conducted with China having almost vanished. The exports are chiefly cotton (far the largest item), silk, cereals, fruit, hides, animals, and astrakhan. The imports are mainly manufactured goods and tea.

Trade Centres. *Tashkent* (202,000), irrigated from the Syr, is the capital, and the largest and finest commercial centre of Russian Turkestan, and a noted caravan centre. It has textile, leather and metal industries, and makes knives and firearms, but luscious fruits are its most noted product.

Kokand (115,000), on the Syr, is a modern commercial centre, and commands the trade of the upper Syr-Darya Valley. It is a large market for animals and their products, and for textile fabrics.

Bokhara (90,000), the capital of Bokhara, commanding several important routes, conducts an extensive trade in local and imported goods and is famed for ornamental steel and leather work, sheepskins, and dried fruits. It has splendid gardens and cotton plantations.

Khiva (8,000), the capital of Khiva, irrigated

from the Amu, is specially noted for camels and sheep.

Merv, one of the oldest cities in Asia, is a route centre and oasis town.

Ashabad, on the Trans-Caspian Railway, is the political capital of the Trans-Caspian Province.

Peoples of Russia. Russia is Asiatic in its relief and climate, and it has been said that Europe begins at the Carpathians. It remained untouched by the intellectual stimulus of the Renaissance and the religious and political stimulus of the Reformation, and has been the bulwark of progressive Western Europe against attacks from nomadic hordes. Vastness of area, uniformity of climate, uniformity of build, and uniformity of vegetation have moulded a curious mixture of races into a definite Russian type characterised by humility, a communal spirit (a heritage of the forest), a lack of individuality, and a lack of initiative. The medley of nationalities varies from the highly civilised inhabitants of Finland to the wild nomads of Turkestan. The mass of the people belong to the Slavonic race. Originally the East Slavs were united in a State stretching from Novgorod to Kiev, but the pressure of the Asiatic invaders of the steppes drove them north and west. In the north they mingled with the Finnish tribes on the Upper Volga and its tributaries to form the Great Russian nation. In the west a great migration into Volhynia and Galicia created a separate mass which came under Polish influence and formed the Little Russian group. Farther north, in the forests and marshes about Minsk and Grodno, the White Russian group was formed. Other nationalities are the Finns, whose civilisation is Swedish, the Poles, whose civilisation has been influenced by the culture of Rome, Germans of the Baltic Republics, Greeks of the Black Sea coast, Gypsies, Jews, Turks of the south, Tartars and Bashkirs of the Volga, the Uralts, the Caucasians, and Siberians, the Kirghiz of the poorer steppes, the Sarts, Uzbeks, nomad Turkomans and Aryan Tadpiks of Central Asia, Lapps and Samoyeds of the north, the Mongolian Buriats and Kalmyks, and the Armenians and Georgians of Caucasia. Generally speaking, the Russians form two-thirds of the population of Russia, and they are supreme in Russia proper, West Siberia, and the Northern Caucasus, and form half the population of Eastern Siberia. They form, however, an insignificant minority in Finland, Poland, the Baltic Republics, Lithuania, the Southern Caucasus and Turkestan.

Cold, monotonous, open, and swept Russia lacks the small nurseries where Nature can fondle and ad her children, and Russia's boundless plains are now populated by a massive, uneducated, homogeneous people, who have received only the crumbs of culture from the progressive countries of Europe. When, however, Russia shall attain a higher stage of cultural development, its monotonously vast area will become a great national asset. Many of its present geographic disadvantages will vanish like the diseases of youth, and Russia will enter into a long-withheld inheritance.

RUSSIA LEATHER.—A fine, soft, brownish-red leather, with a beautiful grain, and a peculiar odour due to the oil of birch bark with which it is impregnated, while the colour is produced by a solution of alum and an extract of sandalwood. It is prepared from heifer hides imported from Russia, but in England and France there is a large trade in imitation Russia leather made from the

skins of sheep and goats. The genuine article is not affected by damp. It is used extensively for book-binding, cigar cases, purses, bags, etc.

RUTHEN.—(See FOREIGN WEIGHTS AND MEASURES—GERMANY.)

RYE.—The grain of various grasses allied to wheat and barley, but generally used in England as a cattle food, though beer is also sometimes obtained from the malted grain. It is a hardy cereal and will grow on poorer soil than wheat

and barley, but does not thrive far north, being injured by early frosts. In central and north-western Europe it was of old the chief cereal used for bread-making. Rye bread is still much in vogue in Scandinavia, Finland, northern Germany and Russia, regions which have on the whole a poor soil and a climate unsuited for wheat. About 50 per cent. of the world's output of rye is raised in European Russia and 25 per cent. in Germany. Outside Europe there is relatively small production.

[S]

S.—This letter is used in the following abbreviations—

S.	Silver.
\$.	Dollars
S.B.	Short Bill.
S/D.	Sea damaged (grain trade).
S.C.	Safe Custody
S/N.	Shipping Note
S.O.	Sub-Office
S.P.	Supta Protest
S.S.	Special Settlement
S.S.	Steamship
S.V.	Surrender Value
Scp.	Script
St., Stet.	Let it stand (Latin, <i>stet</i>)
Stcr., Stg.	Sterling.
Stk.	Stock

SABLE.—An animal belonging to the weasel family, and found in the forests of Eastern Siberia and Kamchatka. Its fur, which is usually brown in colour, is extremely valuable, and is in great demand for the most costly boas, muffs, cloaks, etc. The sable is closely related to the marten (*gr*).

SACCHARIN.—A crystalline compound, also known as glucide. It is colourless and odourless, but intensely sweet. As compared with cane-sugar, its sweetness is said to be as 300:1. It is generally prepared by a series of involved processes from coal-tar, and is used as a substitute for sugar, when the latter substance is prohibited, as in the case of patients suffering from diabetes. It is also sometimes employed in the manufacture of aerated waters and in the preparation of drugs.

SACK.—A measure usually reckoned as half a quarter of corn, or four bushels.

SAFE CUSTODY BY BANKER.—In addition to the ordinary business of banking, connected with money, negotiable documents, etc., a banker very frequently undertakes the custody of valuable articles on behalf of his customers, especially jewels and plate. The practice is becoming more and more common, and it is essential that the banker should take the greatest care to free himself as far as possible from liability in case the goods deposited are lost or stolen. The method adopted will vary in different cases according to peculiar circumstances, but the general plan is for the banker to give a form of receipt, and to require the return of the same, properly indorsed, by the depositor when the goods are reclaimed. The following is a form of receipt in actual use by a well-known bank (though naturally the name is altered).—

No. 7895.

The Northern General Banking Co., Ltd
Whitefield Branch

September 28th, 19..

Received from Mr. James Brown, of Bleak Hall, Whitefield, in the county of Blankshire, one sealed parcel for safe custody.

per pro The Northern General Banking Co., Ltd
JOSEPH JONES, Manager

N.B.—This receipt should be kept in a place of safety. The security referred to therein can only be

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returned on the following receipt being signed by the depositor and surrendered to the bank. The personal application of the depositor is particularly requested, but if he is unable to attend, the order on the back hereof should also be signed.

Received from the Northern General Banking Co., Ltd, the above-mentioned securities.

JAMES BROWN.

December 31st, 19..

The indorsement referred to above is as follows—

To the Manager,

The Northern General Banking Co., Ltd,
Whitefield Branch

Please deliver to the bearer the securities mentioned on the other side

JAMES BROWN,

Bleak Hall,

Whitefield.

December 31st, 19..

There is practically no limit to the conditions which a banker may impose upon his customer, and it would be a mere waste of time to state even some of them in detail. If goods are to be deposited, the customer must arrange with the banker and accept his terms.

Again, when things other than chattels are deposited, special care will be taken by the banker to avoid difficulties. An interesting case as to the practice of London bankers in connection with bearer bonds came before the courts in 1900, *In re De Pothomer, Dent v. De Pothomer*, 1900, 2 Ch. 529. There it was stated—

"It is a common practice of investors to deposit such bonds with their bankers upon a simple acknowledgment by the bankers of the receipt thereof. In such cases the bankers accept the deposit subject to such responsibility as is imposed upon them by law for their safe custody, and they collect the coupons for their customers, and credit them to the account of the customers, as and when received. From my own knowledge of the course of business in the City, I say that it is a very common practice amongst men of business, and joint stock companies who hold large quantities of bonds, to deposit them with their bankers upon the above terms, and I believe that such practice offers to the owner of the bonds as good a security for the safe and proper custody of such bonds as can be obtained, and is at the same time the most convenient course the bondholder can adopt as regards the collection of interest on the bonds. If bonds to bearer are deposited with bankers in a locked box or other closed receptacle, the bankers do not give any receipt for the bonds, but only a general acknowledgment of receipt of the box, and decline to accept any responsibility for its contents." In the same case it was held that the trustees were "justified in depositing the bonds with the bankers upon those terms, which will not justify the bankers in parting with the bonds except under the authority of all the trustees, but will justify the bankers in cutting off the coupons and collecting them as and when they are due, in the ordinary course."

[SAF]

In taking charge of goods, a banker is a bailee, and his liability depends upon the general law of bailment (*qv*), the responsibility being naturally greater where he is a bailee for reward than if he is a merely gratuitous bailee. (See **BANKING ACCOUNT**)

SAFE CUSTODY REGISTER.—This is a book or register kept by a banker in which are entered accounts of all the securities or articles deposited by customers for safe custody by the bank. The register will be of a more or less elaborate character according to the ideas of the particular banker, and he may, for his own sake, in order to be freed from any liability for loss, impose various conditions upon his customers in relation to this register. This, however, is a matter of practice and needs no further notice here.

SAFES.—Iron cupboards or chests in which valuables are stored for protection against thieves and fire. The first English-made safe was patented at the beginning of the nineteenth century, but it was not until 1835 that an attempt was made to provide a safe which should resist burglars as well as fire. This was patented by Charles Chubb, and Chubb's Lock and Safe Company is still one of the most noted firms. The walls of modern safes are formed of double steel plates, the space between which is filled with a fire-resisting compound, the total thickness being from 3 to 8 in. The door is somewhat thicker. It is strongly hinged, and the locks are so constructed that bolts secure the door all round the edges. Safes are made in great numbers in the United States, Canada, and Germany, as well as in Britain, the materials and styles varying with the different countries.

SAFETY OF SHIP.—To accommodate commerce and to lessen the dangers of maritime traffic, nations began early to set up sea-marks, to affix bells to solitary rocks, and came at length to establish permanent lights. A few rules of the road, existing only as a portion of seamanship, have grown with the increase of commerce into an international code, with a complete system of lights and signals for use by ships. The sending, or attempting to send, a British ship to sea, in such an unseaworthy state that the life of any person is likely to be endangered thereby, is a misdemeanour, unless all reasonable means were used to insure her being sent to sea in a seaworthy state. It is a misdemeanour in any master if he knowingly takes a British ship in such a condition to sea. But it is a defence in either case if it is proved that, under the circumstances the act was reasonable and justifiable.

It is a term, express or implied, of every contract for service on board that the owner, the master, and every agent charged with the loading of the ship or the preparing thereof for sea, or the sending thereof to sea, shall use all reasonable means to insure the seaworthiness of the ship for the voyage at the time when the voyage commences, and to keep her in a seaworthy condition for the voyage during the same. The warranty of seaworthiness for the voyage must be satisfied at the time of sailing with the cargo. It is not sufficient that the ship was fit for the voyage while the cargo was being taken in, if she became unfit before she started. The warranty, in truth, appears to be a double one, viz., that the ship shall be fit to receive the cargo when taking it in, and shall be fit to sail at the time of sailing. On the other hand, there is no undertaking that she will continue fit after sailing. If from any cause she afterwards becomes unseaworthy and this leads to loss, the shipowner is only

liable if the cause was one for which he was answerable. In the case of a time charter, the warranty of seaworthiness is satisfied if the ship is in a seaworthy condition at the commencement of the hiring.

Where a British ship, being in any port in the United Kingdom, is an unsafe ship, that is to say, is by reason of the defective condition of her hull, equipments, or machinery, or by reason of undermanning, or by reason of overloading or improper loading, unfit to proceed to sea without serious danger to human life, having regard to the nature of the service for which she is intended, such ship may be provisionally detained for the purpose of being surveyed, or for ascertaining the sufficiency of her crew, and either finally detained or released according to circumstances. Courts of appeal exist for those who feel themselves aggrieved by the proceedings of the Board of Trade, which is the body charged with the execution of this enactment. The Board is entitled to costs, or liable to pay costs and compensation, as the result of the inquiry may determine. A foreign ship may be detained at any port in the United Kingdom if she is unsafe, and is in this respect liable to be treated on the same footing as a British ship.

Whenever in any proceeding against any seaman or apprentice (belonging to any ship) for the offence of desertion, or absence without leave, it is alleged by one-fourth, or if their number exceeds twenty, by not less than five, of the seamen belonging to the ship, that the ship is by reason of unseaworthiness, overloading, defective equipment, or for any other reason, not in a fit condition to proceed to sea, or that the accommodation in the ship is insufficient, the court having cognisance of the case shall take such means as may be in their power to satisfy themselves concerning the truth or untruth of the allegation, and shall for that purpose receive the evidence of the persons making the same, and may summon any other person whose evidence they may think desirable to hear, and shall, if satisfied that the allegation is groundless, adjudicate in the case; but if not so satisfied shall, before adjudication, cause the ship to be surveyed. A seaman or apprentice so charged with quitting his ship without leave has not any right to apply for a survey, unless he has, before quitting his ship, complained to the master of the circumstances so alleged.

To enforce the observance of these laws regarding the safety of ships, power is given to various officials to make preliminary inquiries into shipping casualties when they occur, and to courts of summary jurisdiction to hold formal investigations into such casualties. These investigations are held upon the application of the Board of Trade, and the court has power to cancel or suspend the certificate of any officer who, in the opinion of the court, has caused the loss of, or serious damage to, any ship or loss of life through his wrongful act or default.

A person must not send dangerous goods by any vessel, British or foreign, and a person not being the master or owner of the vessel must not attempt to carry in such vessel any dangerous goods, without distinctly marking their nature on the outside of the package, and giving written notice of the nature of those goods, and of the name and address of the sender, or carrier, to the master of the vessel at or before the time of sending the goods to be shipped. Any person failing to comply with this regulation is liable to a penalty of £100, but if he shows that he was merely an agent in the shipment of any such goods and was not aware that the goods were of a

dangerous nature, then he is liable to a penalty of £10 only. The expression 'dangerous goods' means aquafortis, vitriol, naphtha, benzine, gunpowder, lucifer matches, nitro-glycerine, petroleum, any explosives within the meaning of the Explosives Act, 1875, and any other goods which are of a dangerous nature."

The following are included in the term "explosives" in the Act of 1875, viz.—

"Gunpowder, nitro-glycerine, dynamite, gun-cotton, blasting powders, fulminate of mercury or other metals, coloured fires, and every other substance, whether similar or not to those already named, which is used with a view to produce a practical effect by explosion, or a pyrotechnic effect; and, in particular, fog signals, fireworks, fuses, rockets, percussion caps, detonators, cartridges, ammunition of all descriptions, and every adaptation or preparation of any of the substances already mentioned."

The meaning of the term "explosive" may be extended by Order in Council to any substance which appears specially dangerous to life or property by reason of its explosive qualities, or by reason of risk of explosion in the process of its manufacture.

A person must not knowingly attempt to send, or carry in any vessel, British or foreign, any dangerous goods under a false description, and must not falsely describe the sender or carrier thereof under a penalty of £500. The master or owner of any vessel, British or foreign, may refuse to take on board any package or parcel which he suspects to contain any dangerous goods, and he may require it to be opened to ascertain the fact. Where such goods have been sent or brought on board a vessel without being properly marked with the required notice that they are dangerous, they may be thrown overboard, and the master or owner incurs no civil or criminal liability for so doing. An Admiralty Court has also jurisdiction to declare such goods forfeited, and they may be disposed of as the court directs.

Deck cargoes of wood goods, as defined in Section 10 of the Merchant Shipping Act, 1906, may, during certain seasons of the year, be carried only in covered spaces, and in such class of ships as may be approved by the Board of Trade for the purpose, and they must be loaded in accordance with regulations made by the Board of Trade. If a ship, British or foreign, arrives between the last day of October and the sixteenth day of April, in any year, at any port in the United Kingdom from any port out of the United Kingdom, carrying any heavy or light wood goods as deck cargo (except under the above conditions), the master of the ship, and also the owner, if he is privy to the offence, is liable to a fine not exceeding £5 for every 150 cub ft. of space in which wood goods are carried in contravention of the provisions. (See DECK CARGO.)

Where a grain cargo is laden on board any British ship, all necessary and reasonable precautions must be taken to prevent the grain cargo from shifting. If these precautions are not taken in the case of any British ship, the master of the ship and any agent of the owner responsible for the loading of the ship, or the sending of her to sea are liable to a fine of £300, and the owner of the ship is also liable to the same fine, unless he shows that he took all reasonable means to enforce the observance of these provisions, and was not privy to the breach. An offence against these provisions may be prosecuted summarily, but in such case the fine must not exceed

£100 (M.S.A. 1906, Sec. 10). The above provisions have been extended to any foreign ship which loads a grain cargo in the United Kingdom, so long as the ship is within a port in the United Kingdom. British ships on certain voyages with cargoes of grain must adopt the precautions against the shifting of the grain set out in Schedule 18 of the Merchant Shipping Act, 1894, and must deliver to the British authorities at the port of loading and of discharge a notice of the ship's draught and clear side, and of the kind and quality of the grain, the mode of stowage, and the precautions taken, subject to a penalty of £100 for omission of such notice, or for any false statement in it, and foreign ships arriving at a port in the United Kingdom laden with grain are subject to the same provisions and liabilities as British ships. The above-mentioned precautions are not required of ships which follow the regulations approved by the Board of Trade, or of ships constructed and loaded in accordance with any plan approved by the Board. As to deck and load lines, see LOAD LINE.

The Board of Trade may, in any case in which they think it expedient to do so, direct any person appointed by them for the purpose to record the draught of water of any sea-going ship, as shown on the scale of feet on her stem and stern posts, and the extent of her clear side in feet and inches, upon her leaving any dock or port for the purpose of proceeding to sea, and the person so appointed must keep that record and forward a copy to the Board of Trade. The record or copy, if produced out of the custody of the Board of Trade, is admissible in evidence. The master of every British sea-going ship must, upon her leaving any dock, wharf, port, or harbour for the purpose of proceeding to sea, record her draught of water and the extent of her clear side in the official log-book (if any), and must produce the record to any chief officer of customs whenever required by him. The expression "clear side" means the height from the water to the upper side of the flank of the deck from which the depth of hold, as stated in the register, is made, and the measurement of the clear side is to be taken at the lowest part of the side.

It is the duty of every owner or master of a British ship to see that she is provided with the number of lifeboats, life-rafts, life-jackets, and life-buoys which his ship is required to carry by the rules made by the Board of Trade. How inadequate these were, was shown in the course of the inquiry into the loss of the *Titanic*, 1912, but steps have been taken to amend the law by the passing of the Merchant Shipping Convention Act, 1911, particulars of which are given in the article on Passenger Ships (*q.v.*). These provisions as to life-saving appliances are now applicable to all foreign ships while they are within any port in the United Kingdom, provided they are within the port for some other purpose than that of embarking or loading passengers or taking in or discharging cargo, or taking in bunker coal. It is also the duty of every master or owner to see that his ship is provided with lights and the means of making fog signals in conformity with the collision regulations.

For the testing of anchors and chain cables, and the marking of anchors, careful provision has been made, and the sale of untested anchors and cables is prohibited. If the vessel is a sea-going steamship not used wholly as a tug, she must also be provided with a hose capable of being connected with the engines of the ship and of being used in case of

fire in any part of the ship, and if a passenger vessel, she must have her compasses properly adjusted from time to time. (See *PASSENGER SHIP*.)

The provisions of the Merchant Shipping Act, 1894, which relate to the detention of foreign ships, apply in the case of a ship which is unsafe by reason of the defective condition of her hull, equipments, or machinery, and they apply with respect to any foreign ships being at any port in the United Kingdom, whether those ships take on board any cargo at that port or not.

His Majesty may, on the joint recommendation of the Admiralty and the Board of Trade, by Order in Council, make regulations for the prevention of collisions at sea, and may thereby regulate the lights to be carried and exhibited, the fog-signals to be carried and used, and the steering and sailing rules to be observed by ships. These collision regulations must be observed by all foreign ships within British jurisdiction, and in any case tried in a British court concerning matters arising within British jurisdiction foreign ships shall, so far as respects the collision regulations, be treated as if they were British ships. In pursuance of these powers, collision regulations were drawn up in 1896. (See *COLLISION*.)

SAFFLOWER.—An Indian plant of the composite order, cultivated for the sake of its flowers, from which the red dye carthamine is obtained. Its importance has diminished since the introduction of the aniline colours, but carthamine is still used in the preparation of toilet rouge (*qv*). Safflower is also known as bastard saffron.

SAFFRON.—The name given to the plant *Crocus sativus*, and to the yellow colouring substance obtained from the dried stigmas of its flowers. It has long been cultivated in India, where it is still much used. It grows extensively in Greece, Italy, and other Mediterranean countries. It is naturalised in Britain but there are imports from Valencia. Saffron is used for culinary purposes and as a slight stimulant in medicine.

SAGE.—The well-known pot herb belonging to the genus *Salvia*. It is widely distributed in Europe, and is much used as a seasoning.

SAGGING.—This word, in a general sense, means lowering, dropping, falling away, and when applied in commerce it is used in connection with markets. A sagging market, then, is one which is continually dropping or falling away.

SAGO.—A starchy food-stuff obtained from the pith of the *Sagus Rumphii* and other East Indian palms. The pith is beaten in water to separate the starch granules from the fibre, and the dried sediment is sago flour, from which all other kinds of sago are prepared. An artificial and very inferior product is manufactured in France from potato starch.

SAL.—The *Shorea rostrata* of Northern India and the wood obtained from it. The timber is hard and durable, and is used for railway-sleepers, gun-carriages, bridge-banking, etc. A resin resembling dammar (*qv*) exudes from the bark.

SAL AMMONIAC.—Chloride of ammonium, usually prepared from the ammoniacal liquor of gas works by adding hydrochloric acid and subliming it in iron pots. It is met with in translucent masses, or as a powder, and has a sharp, saline taste. Solution of sal ammoniac is much used in medicine in cases of bronchitis, etc. It is also employed in soldering, for cleaning metallic surfaces, and in calico-printing. The chemical symbol of sal ammoniac is NH_4Cl .

SALARY.—A periodical allowance or recompense made to a person in return for his pains and industry in the business of another. The word is derived from the Latin *salarium*, meaning "salt money."

In a general way a salary is most usually computed at a certain annual amount, although payment may be made at frequent intervals, *e.g.*, quarterly or monthly. If the remuneration is paid at intervals of less than a month, *e.g.*, fortnightly or weekly, it is generally known by the name of wages, but in such cases it is not usually based on an annual sum.

In cases of bankruptcy the salary of the bankrupt, or a portion thereof, may be attached under the direction of the court for the payment of his debts. But a sufficient margin must always be left for the maintenance of the bankrupt and his family, and for maintaining the dignity of his official position if he happens to hold one.

Again, as is shown in the article on *PRIORITY PAYMENTS*, the salary of a clerk or servant for services rendered within four months of the making of a receiving order in bankruptcy, or of an order for winding up a joint stock company, to the extent of a sum of £50, ranks as a preferential claim in bankruptcy under Sec. 23 of the Bankruptcy Act, 1914, and in company liquidation under the Companies (Consolidation) Act, 1908. A claim for salary as above described must be paid in the case of a winding up order before even the claims of the debenture holders of the company, if there are any.

SALE OF GOODS.—The law relating to the sale of goods was codified in the Sale of Goods Act, 1893 (56 and 57 Vict. c. 71), and is now to be gathered from the provisions of that statute, construed and applied by later decisions of the courts. Any sale, whether of what comes under the technical expression "goods" or not, is, of course, a contract between seller and buyer, and consequently the general law of contract (*qv*) applies to a contract for the sale of goods, except in so far as such application is modified or restricted by the provisions of the Act of Parliament.

The term "goods" includes all chattels personal other than things in action (see *CROSSBRED ACTIONS*), and money, and in Scotland all corporeal moveables, except money. It includes emblements, industrial growing crops, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.

A contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a money consideration, called the price. The contract may be absolute or conditional. Where under a contract of sale, the property in the goods is at once transferred from seller to buyer, the contract is called a sale, but where the transfer of the property therein is to take place at a future time, or subject to a condition to be fulfilled thereafter, it is called an agreement to sell. An agreement to sell becomes a sale when the time elapses or the conditions are fulfilled.

The distinction between a sale and an agreement to sell is important, in that the remedies for breach of the contract differ, and the position of the parties as to the subject-matter of the contract is also different. If there has been a sale and the buyer makes default in payment of the price, the seller can sue for the amount and take advantage of the special procedure provided for the recovery of liquidated damages (*qv*), but on breach of an agreement to sell, the remedy is an action for

unliquidated damages, and the plaintiff must, generally, be in a position to prove that he has been injured by the breach. (See DAMAGES.) Again, on a sale, the goods become the property of the buyer, and he can claim delivery; and, on the other hand, if the goods perish, it is his loss. Where there is a contract for the sale of specific or identified goods, and the goods without the knowledge of the seller have perished at the time when the contract is made, the contract is void. Where there is an agreement to sell specific or identified goods, and subsequently the goods, without any fault on the part of the seller or buyer, perish before the risk passes to the buyer, the agreement is thereby avoided.

The goods which form the subject-matter of a contract of sale may be either existing goods owned or possessed by the seller, or goods to be manufactured or acquired by the seller after the making of the contract of sale, which are called "future goods." There may be a contract for the sale of goods, the acquisition of which by the seller depends upon a contingency which may or may not happen. Where by a contract of sale the seller purports to effect a present sale of future goods, the contract operates as an agreement to sell the goods.

The Price. The consideration for a contract of sale must be a money one. The price is generally fixed by the parties when making the contract, but they may leave it to be settled in some other way, e.g., by the valuation of a third person, or by the usual course of dealing between them. If the agreement to sell provides that the price is to be fixed by a third person, and such third person cannot or does not do so, the agreement is avoided, and if any goods have been delivered the buyer must pay a reasonable price for them. If the third person is prevented from fixing the price by the fault of the seller or buyer, the party not in fault may sue the other for damages. If the price is not fixed or is not to be determined in some agreed way, the buyer must pay a reasonable price, and what is a reasonable price is a question of fact depending on the circumstances of each particular case.

Capacity of Parties. Capacity to buy and sell is regulated by the general law concerning capacity to contract (see CONTRACT), and to transfer and acquire property, provided that where necessities are sold and delivered to an infant, or minor, or to a person who, by reason of mental incapacity or drunkenness, is incompetent to contract, he must pay a reasonable price therefor. Necessaries mean goods suitable to the condition in life of such infant or minor or other person, and to his actual requirements at the time of the sale and delivery.

Form of Contract. The making of a contract of sale, as regards the requirement of writing, is regulated by the ordinary law of contract (*q.v.*), with the following most important addition in the case of contracts made in England, Wales, or Ireland: A contract for the sale of any goods of the value of £10 or upwards is not enforceable by action unless the buyer shall accept part of the goods so sold, and actually receive the same, or give something in earnest to bind the contract, or in part payment, or unless some note or memorandum in writing of the contract be made and signed by the party to be charged or his agent in that behalf. This requirement applies to every such contract, notwithstanding that the goods may be intended to be delivered at some future time, or may not at the time of such contract be actually

made, procured, or provided, or fit or ready for delivery, or some act may be requisite for the making or completing thereof, or rendering the same fit for delivery.

It will be noticed that the validity of the contract does not depend upon compliance with one or other of these alternatives; the effect is merely to prevent any action being brought upon a non-complying contract. In other respects the contract is perfectly good, and all the other consequences of a contract follow upon it. The application of the provision depends upon the *value* of the subject-matter, not upon the price fixed. If a man contracts to sell £100 worth of goods for £5, one of the alternatives must be performed before an action can be brought. If a number of articles, each below the value of £10, are sold in one transaction, there must be some document in writing, etc., if the total amount of the bill is £10 or over; but on a sale by auction the sale of each lot is deemed to be a separate transaction. (See AUCTIONS.)

Acceptance. As regards the various alternative methods of complying with the statute, that which provides for acceptance sometimes gives rise to difficulties. The buyer must accept part of the goods and actually receive the same. The word "accept," as here used, has a special meaning, for there is a sufficient acceptance when the buyer does any act in relation to the goods which recognises a pre-existing contract of sale, whether there be an acceptance in performance of the contract or not. So if, when he receives goods, the buyer examines them to see if they are equal to sample, that is a sufficient acceptance, because it is an act done which recognises that there had been a contract of sale, even although the buyer goes on to say "the goods are not according to sample, and I won't take them." But if, on goods being delivered to a man, he opens the parcel to see what it contains, and then declares that he never ordered the goods and will not have them, that is not an acceptance. An endeavour on the part of the buyer to re-sell the goods is a sufficient acceptance. This was well shown in the case of *Taylor v. Great Eastern Railway Company*, 1901, 1 K.B. 774, where barley was sold verbally. The buyer tried to re-sell the barley but failed to do so, and subsequently became bankrupt. It was held that the attempt to sell was an act recognising a pre-existing contract, and amounted to acceptance, and that the barley passed to the trustee in bankruptcy. The receipt and delivery upon which acceptance is founded need not necessarily be physical; a constructive receipt will do. In *Nicholls v. White*, 1910, 103 L.T. 800, the plaintiff had agreed verbally to buy a tick of hay from the defendant, and was to send his men to tie and press the hay, which the defendant was then to cart to the railway station. Before any men were sent, the defendant telegraphed: "Don't send press. Am writing"; and followed this by a letter saying that he had sold the tick elsewhere. It was held that the telegram and letter constituted evidence of a constructive delivery and receipt of the hay, and that the plaintiff could maintain an action for damages for breach of contract.

Part Payment. In order to constitute "earnest" or "part payment," there must be an actual transfer of a chattel or money, either as security or as part of the price. For instance, if the seller pays something on account, or deposits some article with the seller to be returned when payment is

made, the statute will be satisfied; but it is not enough to agree that the seller shall retain on account of the price a sum of money he already owes to the buyer (*Norton v. Davison*, 1899, 1 Q.B. 401).

The form of the note or memorandum in writing is fully considered under the heading of STATUTE OF FRAUDS. It does not require any stamp, unless made by deed, in which case a 10s. stamp must be impressed.

As to the duty of a purchaser to protect his own interests, see CAVEAT EMPTOR, CONTRACT; and as to special or implied stipulations on a sale of goods, see IMPLIED WARRANTIES, WARRANTIES AND CONDITIONS.

Unless a different intention appears from the terms of the contract, stipulations as to time of payment are not deemed to be of the essence of a contract of sale. Whether any other stipulation as to time is of the essence of the contract or not depends on the terms of the contract. In a contract of sale, "month" means, *prima facie*, calendar month.

Transfer of Property in Goods. As indicated above, it is frequently of great importance to ascertain the exact moment when the property in goods sold or agreed to be sold passes to the buyer, since from that moment they are at his risk. Before property can pass, the goods must be ascertained or identified, and when this is done the time of transfer depends upon the intention of the parties as gathered from the terms of the contract, their conduct, and the circumstances of the case. Unless a different intention appears, the following are rules for ascertaining the intention on this point:

1 Where there is an unconditional contract for the sale of specific goods, in a deliverable state, that is, in such a state that the buyer would under the contract be bound to take delivery of them, the property in the goods passes to the buyer when the contract is made, and it is immaterial whether the time of payment or the time of delivery, or both, be postponed.

2 Where there is a contract for the sale of specific goods and the seller is bound to do something to the goods, for the purpose of putting them into a deliverable state, the property does not pass until such thing be done and the buyer has notice thereof.

3 Where there is a contract for the sale of specific goods in a deliverable state, but the seller is bound to weigh, measure, test, or do some other act or thing with reference to the goods for the purpose of ascertaining the price, the property does not pass until such act or thing be done, and the buyer has notice thereof.

4 When goods are delivered to the buyer on approval or "on sale or return," or other similar terms, the property therein passes to the buyer—

(a) When he signifies his approval or acceptance to the seller or does any other act adopting the transaction.

Pledging the goods is such an act (*Kirkham v. Attenborough*, 1897, 1 Q.B. 201), but only when not overruled by the intention of the parties as expressed in the contract (see *Weiner v. Gill*, 1906, 2 K.B. 574; *Percy Edwards, Ltd v. Vaughan*, 1910, 26 T.L.R. 545).

(b) If he does not signify his approval or acceptance to the seller, but retains the goods without giving notice of rejection, then, if a time has been fixed for the return of the goods, on the

expiration of such time, or, if no time has been fixed, on the expiration of a reasonable time.

What is a reasonable time is a question of fact.

In *Marsh v. Hughes-Hallett*, 1900, 16 T.L.R. 376, the defendant agreed to take a horse on approval for a week, and if he approved him, to buy. The horse was not returned till some time after the week, and it was held that the plaintiff was entitled to sue for the price.

5 Where there is a contract for the sale of unascertained or future goods by description, and goods of that description and in a deliverable state are unconditionally appropriated to the contract, either by the seller with the assent of the buyer, or by the buyer with the assent of the seller, the property in the goods thereupon passes to the buyer. Such assent may be express or implied, and may be given either before or after the appropriation is made.

6 Where, in pursuance of the contract, the seller delivers the goods to the buyer or to a carrier, or other bailee or custodian (whether named by the buyer or not) for the purpose of transmission to the buyer, and does not reserve the right of disposal, he is deemed to have unconditionally appropriated the goods to the contract.

But if a right of disposal is reserved by the seller, the property in the goods so delivered does not pass to the buyer until the imposed conditions have been fulfilled. Where goods are shipped, and by the bill of lading (*q.v.*) the goods are deliverable to the order of the seller or his agent, the seller is, *prima facie*, deemed to reserve the right of disposal.

Unless otherwise agreed, goods remain at the seller's risk until the property therein passes to the buyer, after then they are at the buyer's risk, whether delivery has been made or not. If, however, delivery has been delayed through the fault of either the buyer or the seller, the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault.

Transfer of Title. The question of what title a purchaser gets to the goods he buys depends largely upon what title the seller had to them, since, except in certain circumstances, a seller can only dispose of what he has. If he is the true owner of the goods, he can, of course, pass an absolute title to the buyer, and a properly authorised agent to sell of the true owner can also make a title. (See AGENCY.) Certain mercantile agents are empowered by statute to confer a title to goods (see FACTORS), and where goods are sold in market overt (*q.v.*) a title may be obtained from a person who is not the true owner.

The Sale of Goods Act, 1893, contains one or two other exceptions to the general rule, that where goods are sold by a person who is not the true owner thereof, and who does not sell them under the authority or with the consent of the owner, the buyer acquires no better title to the goods than the seller had, unless the circumstances are such that the owner is precluded or estopped from denying the authority to sell of the actual seller. They are—

(1) Where the seller of goods has a voidable title thereto, but his title has not been avoided at the time of the sale, the buyer acquires a good title to the goods if he buys them in good faith and without notice of the seller's defect of title.

(2) Where a person having sold goods continues or is in possession of the goods, or of the documents of title to the goods, the delivery or transfer by that person, or by a mercantile agent acting for him, of the goods or documents of title under any sale,

pledge, or other disposition thereof, to any person receiving the same in good faith, and without notice of the previous sale, shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner of the goods to make the same.

(3) Where a person having bought or agreed to buy goods obtains, with the consent of the seller, possession of the goods or the documents of title to the goods, the delivery or transfer by that person, or by a mercantile agent acting for him, of the goods or documents of title, under any sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods, shall have the same effect as if the person making the delivery or transfer were a mercantile agent in possession of the goods or documents of title with the consent of the owner.

Performance of the Contract. It is the duty of the seller to deliver the goods, and upon him falls the expense of putting the goods into a deliverable state, unless the parties agree otherwise. It is the duty of the buyer to accept and pay for the goods. Delivery, acceptance, and payment must be made in accordance with the terms of the contract, and, unless otherwise agreed, *e.g.*, unless there are stipulations as to credit, delivery and payment must be concurrent, that is to say, the seller must be ready and willing to give possession of the goods to the buyer in exchange for the price, and the buyer must be ready and willing to pay the price in exchange for the possession of the goods.

Delivery. Whether it is for the buyer to take possession of the goods or for the seller to send them to the buyer, is a question depending in each case on the contract, express or implied, between the parties. Apart from any such contract, the place of delivery is the seller's place of business, if he has one, and if not, his residence; but if the contract is for the sale of goods known to both parties to be in some other place, then that place is the place of delivery. Delivery should be made at a reasonable hour, and where under the contract the seller is bound to send the goods to the buyer, but no time is fixed, he must send them within a reasonable time. What is reasonable will be a question of fact in each case. Where goods at the time of sale are in the possession of a third person, there is a delivery by seller to buyer when the third person, with the consent of the seller, acknowledges to the buyer that he holds the goods on his behalf. Delivery need not be an actual handing over of the goods themselves, and, apart from agreement, it is not incumbent upon a seller to send the goods to the buyer. All he need do is to give the latter reasonable facilities for taking possession of them, or, if he is required to send them to the buyer, to deliver them to a carrier for transmission. The seller in such a case must make a reasonable contract with the carrier on behalf of the buyer, for if he does not, and the goods are lost or damaged in transit, the buyer may decline to treat the delivery to the carrier as a delivery to himself, and may hold the seller responsible in damages. If sea transit is involved, the seller must give notice of route, etc., to the buyer, so as to enable the latter to insure. If he does not, the goods will be at the seller's risk during the sea transit. Generally speaking, if the seller delivers less than the contracted quantity, the buyer may reject them, if more, the buyer may accept the

agreed quantity and reject the rest. In either case, he must pay for what he accepts at contract rate. If the seller delivers the goods contracted for mixed with other goods of a different description, the buyer may accept the goods which are in accordance with the contract and reject the rest, or may reject the whole. These rules may be varied by trade custom or otherwise.

Unless otherwise agreed, a buyer is not bound to accept delivery by instalments, and where the contract provides for the delivery of instalments which are to be separately paid for, and the seller makes defective deliveries in respect of one or more instalments, or the buyer neglects or refuses to take delivery of or to pay for one or more instalments, it will be a question whether the breach of contract is a repudiation of the whole contract, or whether it is a severable breach giving rise to a claim for compensation, but not to a right to treat the whole contract as repudiated.

Where the seller of goods agrees to deliver them at his own risk at a place other than that where they are when sold, the buyer must, nevertheless, unless otherwise agreed, take any risk of deterioration in the goods necessarily incident to the course of transit.

Where goods which he has not previously examined are delivered to the buyer, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract, and the seller must afford him such a reasonable opportunity.

The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him, and he does any act in relation to them which is inconsistent with the ownership of the seller, or when after the lapse of a reasonable time he retains the goods without intimating to the seller that he has rejected them.

Unless otherwise agreed, where goods are delivered to the buyer, and he refuses to accept them, having the right so to do, he is not bound to return them to the seller, but it is sufficient if he intimates to the seller that he refuses to accept them.

When the seller is ready and willing to deliver the goods, and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery, and also for a reasonable charge for the care and custody of the goods.

Seller's Remedies. The remedies of a seller against a buyer for breach of contract by the latter depend upon the nature of the breach, and upon whether the goods have passed into the possession of the buyer. If the actual possession of the goods still remains with the seller, and the breach complained of is non-payment of the price, the seller has three special rights against the goods themselves. In all other cases, and so far as these special remedies are not utilised or are insufficient, the seller's right is the same as for any ordinary breach of contract (as to which, see *CONTRACT*), namely, an action for damages, and damages in this case are generally represented by the price and are liquidated. If, however, the breach complained of is that the buyer has wrongfully neglected or refused to accept and pay for the goods, the seller may maintain an action for damages for non-acceptance, when the measure of damages will be the estimated loss

directly and naturally resulting, in the ordinary course of events, from the breach (See DAMAGES) If there is an available market for the goods, the damages will be the difference between the contract price and the market or current price at the time of the breach, and any special expenses, etc., incurred by the seller.

The special rights just referred to are: (1) A lien on the goods, or a right to retain possession of them until payment, (2) a right of stoppage *in transitu* (*q.v.*), (3) a right in certain cases to re-sell the goods.

These rights are strictly limited to an unpaid seller of goods—the term “seller,” as here used, including any person who is in the position of a seller, as, for instance, an agent of the seller to whom the bill of lading of the goods has been indorsed, or a consignor or agent who has himself paid, or is directly responsible for, the price, and a seller is deemed to be unpaid when the whole of the price has not been paid or tendered, or when a bill of exchange or other negotiable instrument has been received as conditional payment, and the condition on which it was received has not been fulfilled by reason of the dishonour of the instrument or otherwise.

Lien. An unpaid seller who is in possession of goods is entitled to retain them until payment or tender of the price, in the following cases, namely: (a) Where the goods have been sold without any stipulation as to credit, or (b) where the goods have been sold on credit, but the term of credit has expired, or (c) where the buyer becomes insolvent. The seller may exercise his right of lien notwithstanding that he is in possession of the goods as agent or bailee for the buyer, and where he has made part delivery of the goods, he may exercise his right of lien or retention on the remainder, unless such part delivery has been made under such circumstances as to show an agreement to waive the lien or right of retention.

He loses his lien (a) when he delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the right of disposal of the goods, (b) when the buyer or his agent lawfully obtains possession of the goods, (c) by waiving thereof. But he does not lose it by merely obtaining judgment for the price of the goods.

If the *property* in the goods has not passed to the buyer, an unpaid seller has a right to withhold delivery, which is similar to and co-extensive with his rights of lien and stoppage *in transitu*. The lien does not in itself give the seller a right to dispose of the goods by sale. (See LIEN.)

• **Re-sale.** A right of re-sale may be exercised by a seller when the goods are of a perishable nature, when he has given notice to the buyer of his intention to re-sell, and the buyer does not within a reasonable time pay or tender the price, and where the seller has expressly reserved a right to re-sell in case of the buyer's default. On a re-sale, the new buyer acquires a good title to the goods as against the original buyer, and the seller may recover damages from the latter for any loss occasioned by his default which has not been covered by the produce of the re-sale.

Remedies of the Buyer. Where the seller wrongfully neglects or refuses to deliver the goods to the buyer, the buyer may maintain an action against the seller for damages for non-delivery, the measure of damages being the same as in the case of the buyer's refusal to accept (see *ante*).

In any action for breach of contract to deliver specific or ascertained goods, the court may, if it thinks fit, on the application of the plaintiff, direct that the contract shall be performed specifically, without giving the defendant the option of retaining the goods on payment of damages. The judgment may be unconditional, or upon such terms and conditions as to damages, payment of the price, and otherwise, as to the court may seem just, and the application by the plaintiff may be made at any time before judgment.

As to the remedy for breach of warranty, see WARRANTIES and CONDITIONS, and as to sales by auction, see AUCTIONS.

SALES DEPARTMENT, ORGANISATION OF.

Defining business as being concerned with the modification and movement of material, the selling process is almost entirely concerned with movement, for selling causes commodities to be moved. Obviously there are some modifications of material which are related to easy movement. Occasionally manufacturers produce commodities which cannot be easily distributed. The head of a sales department, or sales manager is, therefore, often allowed to dictate to the factory in cases where there is not a scientific balance between production and distribution. But just as it is the business of the factory to produce all that the sales department can sell, so it is the business of the sales department to sell all that the factory can produce. Unlike production, however (see MANUFACTURING BUSINESS, ORGANISATION OF) the selling department cannot be organised on scientific, mechanical, or automatic lines. You can tell a workman exactly how to make a machine, but you cannot tell a salesman exactly how to sell it. In selling the personal equation is always uppermost. The distributive function in business is concerned with men and their motives. This applies both to the salesman and to his customer. Dogmatism as to the facts of salesmanship is impossible. Moreover, the mechanism of salesmanship cannot be defined. An article like Cadbury's cocoa or Sunlight soap is so widely distributed that it passes through every usual and unusual channel of distribution—railways, steamships, road vehicles, climate, temperature, national customs, languages, are all subjects of study when selling goods. There is no one best way of selling anything and every new method must be tried and tested, or old methods discarded or modified. Experience, however, is gradually being reduced to principles and methods common to groups of commodities are being discovered. The psychological factors involved in selling are also being studied.

Elementary Principles. In organising a sales department it is possible to lay down a few elementary principles and to define a few activities which will be accepted without dispute. A sales department is organised as a link between the factory and the market. It is conditioned by the firm's distribution policy and the distribution policy itself is conditioned by the potentialities of the factory. A distribution policy also takes account of available means of transportation. The term *marketing* is used to describe the distribution function to the exclusion of transportation problems. *Merchandising* has to do with the entire distribution campaign in its details. *Selling* is used to describe all the activities incidental to the sale to the individual buyer. There is a technique of selling, some elements of which will be hereafter mentioned.

Salesmanship is the ability to sell and the study of selling methods

A sales department is necessarily organised on a one-man basis. The sales manager exercises an arbitrary control over all his assistants. He cannot shirk his responsibility and can only delegate his work to a limited extent. Under him, in a big organisation, would be a manager of travellers, branch sales-office managers, a chief sales clerk, and an advertising manager. There may also be a foreign sales manager. These assistants cannot however, be regarded as the heads of separate departments. For efficient organisation all their work must be centralised and co-ordinated, for they are intimately concerned with each others' activities. The sales director must be a man of knowledge and experience. His head must be full of the statistics of prosperity. He must foresee the good times coming in all parts of his field. He must watch for movements of population; the growth of towns and cities; the rise of wages; the opening up of new transit routes. Many economic factors of this kind affect his work in building up the goodwill of his firm, holding on to its established trade, and increasing it at every available opportunity. He has to know which are the best goods for his market and the best markets for his goods. He has to determine on what part of the field he will concentrate his efforts. He has to send out his men into their districts equipped with the most acceptable lines of goods and at the right time of the year. He often has to change the details of his selling plans at an hour's notice.

Avenues of Distribution. The detailed organisation of a selling department depends upon the methods adopted and appropriate for the goods. Distribution in the sense of the actual movement of commodities from place to place is necessarily upon definite geographic and regional lines. It is common to make a distinction between wholesaling and retailing, but many wholesalers are forced by circumstances to sell occasionally as retailers, and retailers very frequently sell goods under conditions which are indistinguishable from wholesaling. The modern distinction is between Direct and Indirect selling. Direct selling is not necessarily retailing. It means that the goods pass directly from the manufacturer to the consumer. In the indirect selling method there are links in the chain of distribution too numerous to specify. The ground plan of the process resembles a fan. The goods are sold from the factory to wholesalers; from wholesalers to warehousemen; from warehousemen to retailers, and from retailers to the public. There may be intermediate links of factors, brokers, agents, indenting houses, compradors. Again, the actual selling process may be direct or indirect. In limited markets the buyer will seek out the seller, and the employment of skilled salesmen or travellers is unnecessary. Under highly competitive conditions the employment of a large staff of travellers is essential, so that every possible purchaser may be reached by personal contact. In selling new products, especially those which need to have their utilities demonstrated, highly-skilled salesmen are employed who concentrate their energies on limited districts and upon a particular class of persons.

Successive steps of distribution are necessary in many trades. A boot polish manufacturer could not expect to open accounts with or keep in touch with fifty or a hundred thousand sellers of his product. He sells, therefore, to a wholesale house

which is in touch with a group of warehousemen, and each warehouseman is in touch with his own group of retailers. Selling such an article is therefore organised from the top downwards through, say, ten wholesalers, a thousand warehousemen, ten thousand retailers and a million consumers. The wholesaler and warehouseman are efficient and economic factors in the distribution process. They take the risk of carrying extensive stocks and "carry the credits." When distribution is through agents or brokers there are no risks involved as to stock but there is a responsibility for payment. There is an old-established tendency for manufacturers to sell only "through the trade." A small draper, for instance, cannot buy hosiery direct from the mill. Established trade customs such as these are hard to break, but now that multitudinous commodities are being branded, trade-marked, and advertised to the ultimate consumer, demands for such commodities are created which must be supplied by a modification of established methods. In order to maintain the demand for his goods, therefore, a manufacturer builds up an organisation which will follow his goods to their destination. The manufacturer who only supplies through wholesale houses, will advertise to or circulate the retail trade. He will not only inform the retailer how and where the goods can be obtained, he will also suggest the best methods of selling them to the public.

Many large firms have a "Dealer's Help" department which co-operates with the retailer by means of booklets, showcards, local advertising, etc. Travelling demonstrators are sometimes employed. They do not sell anything, but help the distributor by showing him how to sell the goods, and they report back to the house on local and general conditions affecting sales methods.

Sales Management. The general policy of the sales department having been laid down in regard to the avenues of distribution, the sales manager organises his department for the campaign itself. If he is going to use more than one avenue of distribution, he determines the relative importance of the different lines, but in all cases an attack is made upon the ultimate buyer. An intensive method which merely places bulk orders of the commodity in the wholesaler's warehouse is not enough. He must help the wholesaler to sell again. Many methods have been worked out whereby advertising campaigns run parallel with the distribution. A complete selling scheme linked up with complete distribution involves some kind of advertising effort which helps the wholesaler to sell to the retailer, and the retailer to the consumer. The details of this subsidiary effort are in the hands of the advertisement manager. The sales manager has much else to do. He advises the house as to the sale units and as to the mode of packing. Some goods are packed in dozens for the retailer and in grosses for the wholesaler. For foreign trade the goods are sometimes packed in tens or hundreds. Goods may be sold by weight or measurement. Sometimes there is no finally fixed unit of weight or quantity. Articles for domestic consumption are frequently sold in "price-units," that is, the housewife buys the article in sixpenny or shilling packets, and the actual quantity or weight may vary fractionally with the price of raw material. It is much easier for all concerned, for instance, to compensate a rise in the price of cocoa by putting a little less in each packet than it is to add a halfpenny

to the selling price. The price-unit has the immense advantage of simplifying all book-keeping processes. Under the unit system, the costs of production including packing, and the costs of distribution, including packaging and transportation, are more easily ascertained, controlled and recorded. Packing is a factory operation governed by the unit procedure. Packaging is a function of selling. It means putting up the goods in a form in which they will be most acceptable to the buyer and easily recognised for quality, quantity, and price. For factory purposes it may suffice to pack an article in cardboard containers, but for selling purposes it may be highly desirable to offer the product in metal or glass receptacles. Jam, for example, can be packed in waxed cardboard; it can also be packed in an ornamental pot which the housewife likes to have upon her table. The sales department is therefore much concerned with the appearance of the goods. The sales manager also selects his field, concentrating on particular areas or upon a particular class of people. If he does not know which districts produce the best results, he conducts experimental campaigns by way of test. In fact he tests every element of his procedure.

What has just been said applies particularly to the sale of units of low price value, when the total cost of selling must be kept at the lowest possible point. The procedure is modified if the article is of high value and small bulk. If a consignment of goods weighs a hundredweight and sells for a few shillings the expense of approaching buyers in isolated districts is prohibitive. When the value is high and a wholesale order can be dispatched by post, there may be a shop-keeper in every village who might handle the goods. The sales manager's problem is to introduce his goods to the village store and to obtain repeat orders without the use of travellers. This is accomplished either by a complete system of co-operation reaching down through all the avenues of distribution, or by a system of keeping in touch with the retailer through the post by means of catalogues, booklets, follow up letters, etc. When the price unit is very high relative to the "frequency of consumption," as, for instance, in the case of an adding machine, the only satisfactory method of selling is by means of travellers. In this case the principle business of the traveller is to find out if a prospect has any real use for the device. If he has, the article will ultimately be sold to him; if he has not, the prospect's name will be struck off the list. Such a traveller has also to be able to give a demonstration of the utility of the apparatus. He need not know much of its method of production. There are, however, products of which it is essential for the salesman to know many details of the factory process. These provide him with *selling points*—detailed arguments which are used when needed. The sales manager often initiates what are known as *selling schemes*. These include coupons, window displays, prize competitions, demonstrations, or some form of concentrated local advertising which will induce the consumer to inquire for and buy the goods. There are also *stocking schemes*. These are methods which offer some special advantage to the retailer, such as the offer of an additional discount if he buys a specified quantity and undertakes to display it prominently in his windows. It may also be part of the sales manager's duty to endeavour to reduce the work of his travellers to a minimum. One method is to establish central

or branch salerooms, so planned and equipped that the buyer who comes to town will find them convenient. In all these activities the sales manager aims at creating a demand, increasing his sales, and building up a permanent goodwill.

Commercial Travellers. An important part of the sales manager's duty consists in selecting, training, stimulating and rewarding his staff of commercial travellers. Some types of businesses require a large staff of travelling salesmen, each of whom is usually allotted specified territory. Travellers are almost invariably employed by those warehousemen who stock mixed lines of goods. The travellers, therefore, can call upon more than one kind of trade. They usually carry samples. If the samples are bulky or numerous it is customary to hire a sample room at a commercial hotel. When the territory is suburban, travellers are usually provided with a vehicle. As salesmen do not start "on the road," the sales manager either trains one of his indoor selling staff for a vacancy or he seeks to detach a successful traveller from a rival house. After a few years' experience a traveller acquires what is known as his "connection." He has become known to a body of buyers; he knows their personal characteristics, and if he arrives on one of his journeys representing a new house he needs no introduction. This valuable asset of "connection" is, however, liable to be lost to a firm when the traveller leaves. The sales manager endeavours to attach the connection to the house rather than to allow it to become the exclusive property of an individual salesman. The sales manager, therefore, makes himself known to the firm's more important customers or gets in touch with them through correspondence. He also insists upon detailed reports from his travelling staff as to the firms upon whom calls are made. It is only, however, in the case of bad management that any ill feeling arises in the matter of "connection." The traveller is made to realise that the firm's efforts are helping him, and that he himself, and his connection, are more valuable to the firm than to anyone else. When travellers are absent from the office on long journeys their daily reports and orders need to be handled promptly and systematically. The traveller sends at least two copies of his observations; one is studied by the sales manager, or manager of travellers, who issues general instructions from time to time. The second copy goes to the chief sales clerk who sees that the traveller's suggestions in regard to his customers are carried out. The clerk also records by means of a card index or otherwise, all the calls made by the representatives and notes on the card any facts likely to affect future negotiations. If a new traveller is sent out on the round he has a fund of information available. Not much can be said here about the work of the commercial traveller himself. He needs to know the policy of his house and everything that he can discover about the nature of the goods he sells. When calling on a new prospect he plans the *interview*, in advance, studies the method of *approach*, the *presentation* of his proposition, the *demonstration* of the quality or utility of his goods and at the appropriate moment "*climaxes*" the sale. But only experience can teach a salesman how much or how little emphasis should be put upon the successive steps needed in the selling process. Young salesmen can gain much knowledge by reading books on salesmanship and by studying the technical publications pertaining to their lines of trade. The sales

manager adds constantly to this knowledge by counsel and advice. There is not only a regular inflow from the travellers in the field, but a regular outflow of instruction and information from headquarters. The chief sales clerk not only has charge of the central selling records; he sees that all the salesmen are supplied with every scrap of information that may be useful to them, either in handling the goods, dealing with customers, or approaching new prospects. In large firms there may be a man whose sole duty it is to find new prospects for them to call upon. The chief sales clerk also deals with complaints, straightens out difficulties, and makes adjustments. In a large firm these functions may be sub-divided. Another branch of this internal sales work relates to the extension of credits and the collection of money due. Thus, there may be a "sanction" department which approves all orders before they are executed. All the recording activities of the chief clerk's department are, however, not viewed from the point of view of the accountant but from the point of view of promoting sales.

Postal Sales. There is no type of business, no matter how "direct" may be its selling methods, that does not receive inquiries and orders through the post. If this kind of business is encouraged it leads to the formation of a mail order department. For many lines of goods the cost of selling goods in this way, or at least the cost of introducing them to new prospects is cheaper than any other known means, especially if it is associated with an advertising policy which seeks to encourage direct orders rather than indirect inquiries through the trade. A description of mail order methods is, however, outside the scope of this article.

(See also MAIL ORDER BUSINESS, ORGANISATION OF)

SALESMANSHIP.—In primitive times there was no distinction between buyers and sellers. Those desirous of doing business with each other merely exchanged goods for goods, and mutually mistrusted each other. The very first lesson of constructive salesmanship is to abolish this feeling of mistrust entirely, and to replace it with one of absolute and mutual confidence.

Disappearance of Haggling. Until within a comparatively recent period, the most obvious element in any sale was a prolonged process of haggling. The buyer always assumed that the seller's price was twice as much as it ought to be, and the seller always assumed that the buyer's first offer was half what he was really willing to pay. Nowadays, thanks to the codification of commercial processes, the element of price recedes more and more into the background. With most commodities, standards of relative values have been fixed. When a merchant buys cotton, or corn, or copper, he buys at a price fixed by a "market" which individual buyers or sellers can do but little to control. A similar thing happens when a man buys shares in a public undertaking; he pays for his shares the amount at which, at the time of purchase, they are quoted in the "market" or on the stock exchange.

The mutual confidence between buyer and seller is nowadays so great that the old method of "direct presentation" of goods often disappears. A retailer, for example, goes into a merchant's salesroom and gives his order for the future delivery of goods, of which he is merely shown a sample. Nay, even the sample is often dispensed with, and orders are given and accepted for the future delivery of goods as

yet unmanufactured, or of crops as yet ungrown; while the seller reposes an equal degree of confidence in the buyer in regard to ultimate payment. Moreover, a whole body of commercial law has arisen from such practices, and even in highly disputed cases, judge and jury alike accept the "custom" of particular trades.

The examples just given belong, perhaps, exclusively to the higher ranks of business, when the mutual confidence between buyer and seller once established is so all-important as to make other aspects of the "sale" subsidiary. The value of the study of the details of salesmanship becomes more self-evident in those transactions which concern the casual buyer, as, for example, in a modern store of the "universal provider" order.

A Liberal Selling Policy. Here we are concerned both with the controlling mind behind the establishment and with the conduct of the man or woman behind the counter whose purpose it is to effect the actual sale. Placing "first things first," let us view the art of salesmanship from the point of view of the proprietor, without whose selective and directive influence the work of the best over-the-counter salesmen will be unavailing.

That confidence which, in a transaction, for example, between two stockbrokers, takes on an aspect of "personal honour," in the case of a retail store, large or small, consolidates itself as "reputation." Here the multitudinous "average buyer" comes into commercial relationship with some (often anonymous) seller whose personality may be concealed behind the directorate of a limited company. Such a mode of doing business would seem to call for greater mistrust than ever; but, as a matter of fact, modern salesmanship, in the main, is conducted upon such sound principles, though few may stop to analyse them, that, as a general rule, the buying public accepts this impersonal method of transacting affairs without demur. The "confidence" method, in fact, is to the public advantage.

The organisation of many miscellaneous commercial enterprises under a single roof, tends to give the public the most efficient service at the lowest possible price. The modern store, with its access to direct sources of supply, and its ability to provide for every season of the commercial year, secures the advantages of a steadily employed and consequently reliable staff, the continuous and economic use of floor-space, and substantial reductions in the cost of distribution. Hence goods can be stocked and sold under most favourable conditions, and the buyer has the benefit of reliable quality, wide variety of merchandise, and lessened price.

Necessity of Specialisation. Yet there is no reason why the smaller and equally ambitious retailer should despair of finding fruitful opportunities under modern conditions. The gigantic metropolitan store is merely an aggregation of departments, and it will be found on examination that each department is made to pay by a process of intensive specialisation. The relatively small trader can win success upon precisely the same principle. The furniture dealer in a suburban town cannot hope to compete with such a firm as Maple's, when he looks at Maple's as a whole; but if the suburban trader, instead of being scared by competition, will set himself out to specialise in those lines which he finds most profitable, and for which there is a permanent local demand, he can in a few years build up an

unassailable reputation for quality, efficient service, and even lowness of price.

The big London firm cannot, without the sacrifices involved in frequent bargain sales, turn over its entire stock nearly so frequently as can the provincial dealer, and a double turnover in a year means, of course, doubled profits on the same capital. Then, again, the local man has countless opportunities of getting people into the habit of coming to him, opportunities which, unfortunately, are so often lost. One of the functions of skilled salesmanship, for the suburban and provincial trader, is to cure the shopping-in-London impulse.

One of the secrets of the success of modern enterprises is that the bargain concluded between seller and buyer is regarded as the fulfilment of a mutual obligation. If a merchant were merely to open his shop, wait for customers to enter, and sell to them just what they demanded, or what he happened to have in stock, then, in the ordinary course of events —no matter how well established the firm might be—the volume of business would drop off from year to year. The merchant, therefore, has every day to find new customers. Every effort must, of course, be made to retain old connections, but the new customer must be continuously sought after and satisfied. The satisfaction of each and every buyer is the alpha and omega of modern commerce. The reader may be reminded at this point that one of the cheapest ways of finding new customers is by means of advertising. (See ADVERTISING.)

The Customer Always Right. Mr. Marshall Field, of Chicago, has laid it down that "the customer is always right", and in carrying out this precept, American stores, almost without exception, will refund a customer's money even for goods which have been made to order to some special design. Such a policy of generous dealing is, of course, a very effective mode of encouraging future business.

Apart from this great concept, that the customer is always to be made to feel entirely satisfied, the broad-visioned proprietor bases his sales-policy upon other sound principles. The Selfridge slogan: "Dependable merchandise at London's lowest prices, always," represents two great points of retail salesmanship—quality of goods and rightness of price. These two points of profitable salesmanship are, however, so widely recognised nowadays as to make further reference unnecessary.

The Customer Always Welcome. A principle of salesmanship somewhat new to this side of the Atlantic is the extension of a warm, sincere, yet not effusive welcome to every customer. Most West-end houses have virtually abolished the practice of having a shopwalker at every door. Instead of the old assumption that every woman who enters a draper's shop shall be forced, before leaving, to purchase something, the practice is now to allow customers to explore the premises without the shadow of molestation, and information or suggestion is only proffered on request. This process of store-exploring leads naturally to many casual sales that would otherwise be lost, for the buyer finds out for herself the extent and variety of the stock, and it is all the more effective when a wise policy of arrangement of the various departments compels a customer to traverse a new or relatively unpopular department in the search for goods which are most in demand.

Everything 'n Season and Reason. Another important basis of successful salesmanship which

has to come from the proprietor is the provision of, and the adequate display of, the right kind of goods at the right season. Here, in England, it is too often assumed that everything is either "summery" or "wintery," yet even this assumption is not always acted upon. The display in many a Bond Street shop window never varies from month to month, or even from year to year, in the general character of its "appeal." That it is possible to strike the appropriate seasonal note with advantage to receipts is being demonstrated in many a busy street.

The Salesman's Self Education. Coming now to the art of salesmanship as affecting the individual man or woman who deals with the public from behind the counter, the first great principle to be borne in mind is the need of character cultivation. Sound health, clear vision, freedom from colour blindness, good hearing, and educated speech free from solecisms are assumed as being indispensable, for they are desiderata which no intelligent employer will overlook when engaging assistants. It is to the employer's own interest to see that the general conditions of the business do not impair such faculties, and the employee, on his part, will also do all that he can to retain his physical and mental powers, for when they diminish his salary-earning power diminishes in proportion. In passing, it may be pointed out how profitable it is to invest in the most up-to-date lighting, heating, and ventilating methods, for buyers are certainly not attracted to a store notorious for its "dim religious light" in which colours cannot be judged, nor do they appreciate a chilly showroom in winter, nor a stuffy atmosphere in hot weather.

Very few salesmen are aware to what an extent they can cultivate their own natural powers. It is quite a common thing to find a salesman who is pessimistic and negative, when he ought to be continually optimistic and positive. The combination of a pessimistic salesman trying to serve the needs of a positively-minded customer leads to no satisfactory result. Yet a salesman can, by a combined process of observation, reflection, and practice, develop to a great degree of efficiency a group of qualities which make for marked success. A definite course of moral self-discipline can turn the weak-kneed, flaccid canvasser or "counter-jumper" into an upstanding, positive, and optimistic man, able to look the whole world in the face, and take his pay at the end of the month with a conviction of having really earned it.

In regard to deportment and appearance also, much can be done. A standing position is imperative during the act of selling. Methods of studying how *not* to deport oneself are available in nearly every British retail establishment, and there is no establishment known to the writer where the salesmen or saleswomen can be taken generally as models. A salesman who wishes to improve himself in bearing, etc., should observe and study, but not necessarily imitate, the deportment of the performers in a good comedy, or take an opportunity to attend a sale by auction where the auctioneer really understands his business.

Commodity-Knowledge. It goes without saying that the salesman must cultivate the power of discernment of sizes, shapes, textures, qualities, and colours of the goods he handles. A good silk salesman, for instance, on looking across the street at a window display can tell, even at the distance, whether a made-up garment is fashioned of Lyons,

Swiss, or Japanese silk. An experienced grocer can tell in the quickest of glances the difference between China, Ceylon, or Indian tea. A hardware salesman, travelling with his samples, should be able to know the manufacturers and qualities of rival goods stocked by his customer. The writer in conversation with a man in the biscuit trade found that he knew the names, qualities, flavours, and prices not only of every biscuit made by his firm, but also those of all the big firms with whom he was in competition. A man whose business it was to sell steel girders devised a system of mnemonics by which he could identify the form and dimensions and weight-resisting powers of a long line of stock sizes. A good china salesman could tell whether an ornamental vase came from Staffordshire, Devonshire, Paris, or Vienna, and could often name the actual factory without looking at the potter's mark. A man in the corn trade stated, without hesitation, the value of fifty different kinds of grain. A traveller for a house which handled brushes and combs, hair ornaments, perfumes, and a host of related merchandise, so trained his memory that he had no need to enter up orders in the buyer's presence, a point, of course, which saved time, and enabled the salesman to give his whole attention to the act of sale.

Needless to say, qualities such as those enumerated enable a salesman to command a high salary, and it is from men such as these that managerial positions are filled. With these should be studied that most fascinating of all studies—human nature. A salesman should know at a glance the general character, education, and social status of any buyer.

Selecting the Specific Truth. The firm in general and the salesman in particular need to understand what has been called the "law of generous impulse." This law requires the seller to *select the specific truth* about the goods which are the subject of demonstration. The salesman's sole object is to create a feeling of entire satisfaction in the mind of the customer, and to accomplish this desirable end, the critical faculty of the buyer should not be unduly aroused. The cultivation of, indeed, broad views and generous impulses on the part of the seller preclude the justification of expressing by word or act the whole plain truth about commodities, unless the reason for a complete expression be good and the necessity real. The specific truth about a cheap garment, for example, may be that it is *cut in the latest style*, and the buyer need not be made to feel dissatisfied therewith because the cloth is not of the best quality, nor the finish and workmanship beyond compare.

This process of selecting the specific truth is particularly applicable with regard to all articles of the cheaper grade. The practice of describing margarine as "overweight," or in some cases as "double-weight," enables a poor but proud-minded woman to be served with what she wants without evoking the real but unreasoning prejudice against butter-substitutes. This and other such cases involve acts of courtesy which make sales easier than they would otherwise be.

The salesman's general knowledge of the commodities he handles must be backed up with "stock knowledge" as well. He should study the firm's daily or weekly advertising, and be able to answer all reasonable questions thereon. He should be familiar in detail with all articles stocked in his own department, and, on broad lines, with the entire range of articles handled in other departments. The salesman who "doesn't know," or who will not

take the trouble to direct an inquirer for other goods to the likeliest department, is not the sort of man who is able to impress a customer with his intelligence; and when such ignorance involves brusqueness or downright discourtesy, the reputation of the firm suffers irremediably.

"The Approach." In regard to methods of "approach," whether on the part of a salesman behind the counter or of a traveller upon the road, good manners and a good address are assumed. The nervous and diffident salesman must learn poise and self-confidence: the officious and overbearing must cultivate refinement and self-discipline. The salesman must create a good impression from the very first word and action, and this is made a cardinal point in the modern instruction room. The waiters at first-class hotels and restaurants are, almost without exception, past masters of the art of "approach," and their polite manners, suggestive methods, and watchful attention can be studied with advantage. It is equally important to "leave a good impression behind." In a word, the salesman must realise that gentlemanliness, natural or acquired, is an indispensable personal asset.

One of the secrets of a good "approach" is to *isolate the customer*. The young grocer's assistant who, when beginning to serve a woman who was a regular cash customer, left her without a word of apology to address a "carriage lady," did incalculable harm to his firm. Rather should it be assumed, that every buyer has a carriage waiting at the door. Any attempt to serve more than one customer at a time, except in exceptional circumstances which the customer herself should be made to understand, as, for instance, during the lunch hour, makes for diminished sales and frequent disappointment.

After isolating the customer, it is important to *isolate the goods*. This method is most successfully practised in some boot and shoe shops, where in place of the usual bootmaker's method of piling up boxes and footwear all around the buyer upon the floor, only one boot, or, at the most, two, for comparison, are shown at a time.

Securing Attention. The salesman must likewise secure the whole attention of his customer. Polite references to the weather or an appreciative word addressed to a customer's child or dog are quite in order by way of introductory conversation, but once the customer has expressed a specific want, no word or action should divert attention to other topics. Moreover, the goods should be produced and displayed at the earliest possible moment. A woman inquiring vaguely for dress material should at once be shown something calculated to please her; and there, it is unwise to spend time over a preliminary cross-examination concerning the quality, colour, or price desired. In a word, the demonstration must follow the "approach" at the earliest possible moment.

A diffident salesman can learn much from studying and analysing the methods of public speakers. When a speaker does not secure the whole attention of his audience, and the people in the front row begin to chatter, and those in back seats fall asleep, it is not the fault of the audience. In such a case, observation will show that the speaker is, or has become, negative, or that he has allowed the audience to become positive.

The salesman must learn how to be positive with a customer. He must, from the first, take command of the situation. Unfailing courtesy, prompt demonstration, instant appreciation of the customer's

point of view, are all helpful here; but the real secret of gaining and holding on to a customer's attention involves a species of hypnotism, or what is called "suggestive salesmanship." This power is based in the last analysis, not upon any adventitious circumstance of time or place, but upon the personal character of the seller. This personal character must be cultivated and strengthened if the art of salesmanship is to be practised effectively.

It happens, of course, that customers themselves are occasionally positive, but a little quiet study of individual cases will always reveal some direction in which the customer is negative. A buyer's sense of *quality*, for example, might be so positive as to be unassailable; but at the same time she may be weak and open to suggestion in regard to what is *beautiful*. In such a case the salesman shows his skill, serves his house, and at the same time ultimately satisfies the customer by finding the key which strikes the sympathetic chord.

It is beyond the scope of this article to do more than suggest the value of the study of physiognomy and character-reading in salesmanship; but it may be said that anyone can learn to tell at a glance whether a buyer is to be appealed to mainly along the intellectual or the emotional avenues. In cases of doubt or even-balance, the salesman, in arranging the order of presenting his selling points (or, may be, talking points), appeals alternately and rapidly to the mind and the feelings. This is the method of the good preacher. After a little swaying backward and forward, the salesman will find out the customer's real mental or emotional attitude, and once this has been discovered the other end of the attack should be abandoned. A customer's "reflective period" should be cut down to the briefest possible extent; and then, by a process of affirmation, intensification, and iteration, the sale should be firmly but politely closed.

It has been one of the aims of this article, within the limits imposed by the written word, to illustrate by the method of presenting the arguments, the particular lines upon which selling arguments themselves should be developed. Proceed always from the general to the particular; appeal alternately to the mind and the emotions; seek to convince the understanding, endeavour to influence the will; arrange the selling or talking points in an intelligible and cumulative sequence; dwell preferably on the good points of the matter in hand, and only refer to the inferior by way of contrast more or less violent; let a statement evoke interest without opposition, never allow an induced emotional shock to outweigh the selling attack; be positive, be affirmative even to the point of assertiveness; intensify the arguments by linking them up with an easy association of ideas; and reiterate all the important points. When the process fails in individual cases, make sure that the cause of the failure was beyond control.

To sum up the elements of salesmanship, that is, the art of promoting maximum sales with the maximum amount of mutual satisfaction: Salesmanship can be learnt; the salesman can make himself progressively more efficient; behind the successful sale must be a well-thought-out sales policy; and behind the skilled salesman must be developed strength of character. Commodity-knowledge, stock-knowledge, human nature-knowledge are among the more important parts of the salesman's equipment; and, above all, there must be a recognition that fine salesmanship is an honour-

able occupation, well worthy of being accepted as a life career, and one which entitles the salesman to a definite social status among his fellows, and to satisfactory and substantial rewards.

SALE WARRANT.—This is a warrant which is issued along with a weight note (*qv*) when goods are sold for payment by a deposit at the time of sale, and the balance by a prompt date, which warrant is exchanged for the actual warrant for the goods as soon as the balance of the purchase money has been paid.

SALICIN.—A glucoside obtained from the bark of willows and poplars. It appears in commerce as a colourless and bitter crystalline powder, useful in medicine as a remedy for rheumatism, as an antiseptic, and as a substitute for quinine. Salicin may also be prepared artificially. Its chemical symbol is $C_{11}H_{16}O_7$.

SALICYLIC ACID.—A white crystalline solid, with a sweetish, but rather disagreeable, taste. It is easily soluble in hot water, and is used, either in the form of its glucoside salicin (*qv*), or in the form of one of its compounds, as a powerful antiseptic, and as a specific for rheumatic fever. In the latter case it is administered internally, but care must be taken not to exceed the prescribed dose. Its chemical symbol is $C_7H_6O_3$.

SALMON.—A large, chondrich fish of the same family as the trout. The rivers of Britain have long been noted for their salmon fisheries, which are, however, declining in importance. The London markets are supplied principally by Scotland, and to a certain extent by Ireland and England, but there are also large importations from Norway, Iceland, and, more recently, from the Pacific coast of North America, especially from British Columbia, which does an enormous export trade in the canned fish.

SAL PRUNELLA.—Fused nitrate of potash. It is generally met with in the form of round cakes or balls, which are used in the preparation of gunpowder and for other chemical purposes. Its chemical symbol is KNO_3 .

SALSIFY.—A plant common throughout Europe, and cultivated for the sake of its edible root, somewhat like asparagus in flavour. It is sometimes known as the oyster-plant, as an oyster-like taste may be imparted to it by a special mode of preparation.

SALT.—The well-known seasoning, chloride of sodium, generally called common salt to distinguish it from the numerous varieties of chemical salts. It occurs in sea-water, in brine springs, and in a solid form as rock-salt. The supply of many Continental countries is largely obtained by the evaporation of sea-water. The method adopted in the case of the brine springs of Cheshire is to bring the salt to the surface by pumping, and then to boil it down. The finest table salt is the result of rapid boiling in small pans, while the coarser varieties, suitable for curing, etc., are obtained by slow boiling in large pans, the coarseness increasing as the temperature is lowered. Bay salt, which was originally obtained from sea-water, is now one of the products of brine by this slow process. Rock salt is found in Cheshire, Worcestershire, and Lancashire; but the largest deposits are those at Wieliczka, in Galicia. There are also deposits at Stassfurt, in Germany, in the United States, and in the Punjab. This rock salt is of a brownish colour, owing to the presence of peroxide of iron and other impurities. It therefore requires special treatment before it is fit for general use. It is usually obtained by quarrying. Salt

is a necessary ingredient of human food, and is invaluable in a variety of ways. It is used as a preservative, for filling the pipes of freezing machines, and in the manufacture of soda, hydrochloric acid, soap, and other compounds. Medicinally, it acts as an emetic. Its chemical symbol is NaCl.

SALT CAKE.—An impure sulphate of soda, obtained as a by-product in the manufacture of hydrochloric acid. It is also known as nitre cake.

SALTPETRE.—(See NITRE.)

SALT, SPIRITS OF.—(See HYDROCHLORIC ACID.)

SALVADOR.—Salvador, or San Salvador, the smallest Central American republic, has a coast line only on the Pacific. Its area is 7,225 square miles, and its population is slightly over 1,000,000. The country is mountainous, but has a narrow Pacific coast plain, from which rises a mountain ridge with volcanoes reaching heights of 7,000 feet.

Agriculture and mining are the principal occupations of the inhabitants. The chief agricultural product is coffee, other products include indigo, balsam, and sugar. Gold and silver mining operations are carried on by Salvadorian, United States, and British companies. There is railway connection between San Salvador, the capital, and Acajutla and Santa Tecla. The chief exports are coffee, indigo, balsam, gold, silver, and sugar; and the chief imports are cotton and silk goods, drugs, flour, and hardware. Trade is chiefly with the United States, Great Britain and France.

The chief trade centres are *San Salvador* (65,000), the capital, with *La Libertad* (its port), *Acajutla*, *Triunfo*, and *La Unión* (small ports), *Santa Ana*, *San Miguel*, and *San Vicente*.

Mails are despatched to Salvador by various routes, and there is communication about twice a week. San Salvador is 5,700 miles distant from London, and the time of transit is about twenty-one days.

For map, see CENTRAL AMERICA.

SALVAGE.—The word "salvage" is used in two senses: it sometimes means the property which is saved from a wrecked vessel, and frequently has this meaning among insurers and in insurance, but in Admiralty, and generally in the law merchant, it means the compensation which is earned by persons who voluntarily assist in saving a ship or her cargo from peril. A salvor may be defined to be one who assists a vessel in distress, acting at the time as a volunteer, and not under any contract or duty which binds him to that particular service. Salvage is not claimable in every case in which work and labour are done about the preservation of a ship and cargo; there must, usually, in order to support a claim for salvage, be skill and enterprise on the part of the salvors, and peril with respect to the property saved. Thus, if the services rendered to a vessel not disabled or in distress do not exceed the ordinary assistance which is rendered by a towing ship, no salvage can be claimed. If, however, a steamer renders assistance to a disabled vessel by towing, she may be entitled to salvage; and a service which commences as a mere towage service may, if new circumstances arise, become a salvage service. The conversion of towage into salvage service depends on the circumstances of each particular case, and the courts watch with jealousy the conduct of steam tugs, in cases of this description, in order to see that the increased danger from which the ship may have been rescued was not attributable to the fault of the tug.

Salvage is due to those who capture royal fish

near the coasts of England. Useful services of any kind rendered to a vessel or her cargo in danger of loss or damage may entitle those who render them to salvage reward. Persons bringing a derelict ship, or goods belonging to her, into port, raising a sunken ship, securing wreck, or protecting the cargo of a stranded vessel by transhipping it, or removing it to a place of safety, may be entitled to salvage. The supplying of mariners to a ship without a crew competent to manage her, the furnishing of an anchor and chain in boisterous weather to a ship at sea which has shipped her anchor, the rescuing of a ship from the peril of impending collision, the assisting to extinguish a fire on board a ship, are all acts which may constitute salvage services.

Although it commonly happens that in rescuing property from danger the salvors necessarily expose themselves to peril, yet work involving no extraordinary exertion, enterprise, or risk may constitute a salvage service; but where risk is incurred by the salvors, that circumstance is most material with reference to the question of the amount of the reward. As a general rule, a mere attempt to save lives or property, however meritorious, or whatever degree of risk or danger may have been incurred, if unsuccessful, furnishes no title to a salvage reward; salvage is a reward for benefits actually conferred, not for a service attempted to be rendered. But persons may be entitled to a reward *pro tanto* for performing part of a salvage service, though others may complete it, as in the case of persons rendering needful assistance to a stranded ship which is subsequently towed off by a steamer. And a person who contributes in any way to a successful result is not to be deprived of his reward simply because his efforts standing alone would have been unavailing.

If part of a crew leave their ship and go on board another to save it, and thereby acquire a salvage claim, the rest, who remain, share in this claim. Not equally, however, for their claim rests mainly on the increased labour, exposure, or peril which falls on them. If they were as willing to go as those who went, then they are entitled to more, in proportion, than if they hung back, and they who actually performed the service were the only ones ready to make the effort or encounter the peril.

A pilot is not generally entitled to salvage for his services in rescuing the vessel from a danger which happens while his duty as pilot continues; but where a vessel is in a position of exceptional danger, a pilot is not bound to go on board her for mere pilotage reward. The question whether assistance given by a pilot under exceptional circumstances is to be regarded as a salvage service or not has been said to depend, in the absence of express agreement, upon what kind of agreement may be fairly presumed. A pilot may be entitled to an extra reward, which may have the character of salvage, by using his boat to tow the vessel which is being piloted. A tug under contract to tow another ship may become entitled to salvage reward if her towage becomes salvage.

Persons acting in an official capacity have no right to salvage reward for services rendered strictly within the limits of their duty. If, however, they go beyond the limits of their official duty in giving extraordinary assistance, they are entitled to be considered as salvors. Officers of the coastguard and their men have various duties in respect of wrecks and casualties at sea imposed upon them by statute and by the instructions issued by the Board of Trade. There are special provisions with reference

to their remuneration for these services, and for such services they are not entitled to claim more than the appointed fees; but if they incur risk or undertake labour beyond the scope of the duties committed to them—if they actually put out to sea, and with risk and effort save lives or property from a wrecked vessel—they may be entitled to salvage in the same manner and to the same extent as other salvors. The official receiver of wreck can never be entitled to salvage in respect of "wreck," because it is his special duty to use his utmost exertions to save and protect wreck.

Salvage by the King's ships is specially dealt with by the Merchant Shipping Act. No claim can be made for any loss, damage, or risk to a King's ship or her equipment, or the use of any stores or articles belonging to the Crown supplied for those services, and no claim by the commander or crew of a King's ship is to be finally adjudicated on except by the consent of the Admiralty.

Although there is a general obligation upon the officers and crew of King's ships to assist all vessels in distress, yet they are allowed to claim salvage reward for salvage services rendered by them, but the court will not recognise salvage services rendered by persons of this class unless they are of an important and meritorious character.

No claim for life salvage is maintainable unless there is property saved against which that claim can be enforced, and such a claim can only be satisfied out of that property. If a ship to which life salvage has been rendered is sunk and afterwards raised, and her value, when raised, is less than the expense of raising her, although her owners have recovered her full value in an action against the ship which sunk her, there is no *res* liable to the claim. If the ship is saved and the cargo is lost, life salvage is recoverable from the shipowner; if the cargo is saved and the ship lost, the cargo owner only is liable for it.

The jurisdiction with regard to salvage is now vested in the Admiralty Division of the High Court of Justice. The salvor can enforce his claim to compensation by means of arrest in virtue of his maritime lien, upon the thing saved. A salvor may proceed in Admiralty either against the ship (*in rem*) or against the owner (*in personam*), whether there is a salvage agreement or not; and an action *in personam* lies against the owners of a salvaged ship, although the property in such ship has been transferred to other persons in whose hands it is not subject to a maritime lien. Salvage, in respect of the preservation of life, when payable by the owners of the vessel, is payable in priority to all other claims for salvage. Disputes as to the amount of salvage, whether of life or property, and whether rendered within or without the United Kingdom, arising between the salvor and the owners of any vessel, cargo, apparel, or wreck, if not settled by agreement, arbitration, or otherwise, are determined summarily (*i.e.*, in a county court having Admiralty jurisdiction) in the following cases, namely: (a) in any case where the parties to the dispute consent; (b) in any case where the value of the property saved does not exceed £1,000, (c) in any case where the amount claimed does not exceed in Great Britain £300, and in Ireland £200.

The amount of the salvage allowed in any case is determined by the court, having regard to the extent, nature, and effect of the services rendered, and the merit and sacrifice of the persons rendering them. Generally, the basis of salvaged value, on which

salvage is awarded, is that of the ship or cargo when it has been brought to a position of safety; but circumstances may alter this.

No salvage can be claimed by persons through whose fault the property was originally placed in jeopardy. When the salvaging ship has suffered damage in rendering the services, and the value of the property saved is ample not only to defray the loss sustained by the salvors, in addition to a proper sum for the services of those by whose personal exertions the services have been rendered, but also to leave a substantial surplus for the owner of the property saved, a sum will be awarded to the owner of the salvaging ship sufficient to cover the actual loss, and to afford also an adequate reward to him for the services rendered by the ship. Compensation will be awarded to ordinary fishing-smacks and other vessels for detention. Where a steam vessel carrying mails and passengers deviates to perform salvage services, a liberal compensation will be given for the loss occasioned by the delay. The court is always inclined to grant high remuneration when the efficiency of the services has been increased by the use of valuable property. Steam vessels are always considered as entitled to a very liberal reward, not only because services rendered by a costly instrumentality should be highly paid for, but because the nature of the help steam vessels render is usually of the most effectual kind. A reward equal to one-half the value of the property saved, after the expenses of the salvors have been deducted, may be said to be the highest amount awarded, except in cases of the most exceptional and extraordinary character; but between this and the lowest kind of salvage remuneration, mere payment for common labour, the degrees are infinite.

If the persons first engaged in performing the salvage services are not able unaided to rescue the property, or are not able to do so with certainty and facility, they are guilty of misconduct if they place any obstacles in the way of persons who can render more effectual assistance, and such misconduct may reduce or altogether bar their claim to salvage. So long as the master of a ship remains in command, salvors have no right to act upon their own judgment as to whether or not there is need for further assistance.

The following persons may claim any apportionment of the salvage award: Shipowners, masters, officers, and crew, passengers, separate sets of salvors. Where some of the salvors are of superior station and capacity, and command and direct the services of the others, they are entitled to a larger share than those who act simply in pursuance of their orders. If the salvaging vessel has been exposed to risk, that will add to the claim of the owners in proportion, in some degree at least, to the nature of the risk and the value of the property exposed to the risk; if the master and crew have undergone great exertion and have incurred personal danger, that will add to their claim. When the exertions of several sets of salvors have contributed to the ultimate success, the court will apportion the reward amongst them according to their respective services. Where one set of persons engage in salvage services, and another set of persons afterwards join them, the court, before awarding any portion of the salvage to other persons who interfere with them, will generally require to be satisfied that the interference was necessary, or at least that it was not without beneficial consequences to the owners of the property. Persons are not entitled

to reward by interfering without reasonable cause in a salvage service in which others are already engaged. The master generally obtains a special apportionment, but the amount depends on the extent of responsibility which he assumes in rendering the service. Officers and men of the Royal Navy share according to the Naval Prize Proclamation in force at the time; but the Admiralty Court can distribute among them, and the proclamation only applies where there has been no apportionment by a competent court.

SALVAGE LOSS.—A term used in marine insurance (*qv*) to indicate the loss settled by the underwriters (*qv*) after a certain sum representing the value of the goods salvaged has been deducted from the amount for which the goods were insured.

SAL VOLATILE.—The common smelling-salts of commerce. It is a strongly caustic liquid, consisting of a solution of carbonate of ammonium mixed with ammonia, and a distillate of dilute alcohol with oils of nutmeg and lemon. Sal volatile is the common remedy for faintness, dyspepsia, etc. It is also known as aromatic spirit of ammonia.

SAMPLE.—A selection or small portion taken from the bulk of goods, wares, or merchandise, to show the quality of the whole.

Goods are very frequently sold by sample, *i.e.*, the vendor exhibits a selection of his wares and the purchaser enters into a contract to buy on the basis that the goods supplied shall be of the same character and quality as the sample produced. The law on the subject is now contained in the Sale of Goods Act, 1893, by which it is enacted that in the case of a sale by sample, there is an implied condition (*a*) that the bulk shall correspond with the sample in quality, (*b*) that the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and (*c*) that the goods shall be free from any defect rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

When there is a contract of sale by sample and description, it is not sufficient that the bulk of the goods shall correspond with the sample if the goods themselves do not also correspond with the description. (See **SALE OF GOODS**.)

SAMPLING.—(See **EXPORT TRADE, ORGANISATION OF**.)

SAMPLING ORDER.—This is a document issued by any person who has goods stored at dock warehouses giving an authority to the warehouse-keeper to deliver samples to an applicant for the same.

SANDALWOOD.—The fragrant yellowish wood of several species of *Santalum*, growing in the East Indies, and in India, where it is burned as an incense. It is close and fine-grained, and is much prized in cabinet-making and carving. In England and France an oil is distilled from the roots of the plant, which is used in perfumery and in the manufacture of a varnish, which is applied in the preparation of imitation sandal wood.

SANDARACH.—A brittle, yellowish resin, obtained from the *Callitris quadrivalvis* of Morocco and other parts of North Africa. It somewhat resembles mastic (*qv*), and is used in the preparation of varnishes. It is imported from Mogador.

SAN DOMINGO, OR SANTO DOMINGO.—(See **HAITI**.)

SAN MARINO.—San Marino is a small independent republic in the north-east of Italy, its area

being 33 square miles and its population about 12,000. It is under Italian protection, and is surrounded by Italian territory. Its capital is *San Marino* (1,500). Wine, cattle, and stone are the chief exports.

For map, see **ITALY**.

SAN SALVADOR.—(See **SALVADOR**.)

SANS COMPTE DE RETOUR.—This is a French phrase which signifies that in the event of the non-payment of a bill of exchange, the holder may draw a bill on the previous holder for the amount of the same and for the charges incurred.

SANS FRAIS.—The French expression signifying "without expense." Its general English form is "incur no expense." When the indorser of a bill of exchange or a promissory note adds these words to his signature, using either the English or the French mode of expression, he indicates that no expenses are to be incurred on his (the indorser's) account in respect of the bill. A restriction of this kind binds only the person who uses it, and does not affect the other indorsers.

SANS RECOURS.—The French equivalent for "without recourse" (*qv*), sometimes added to a signature upon a bill of exchange or a promissory note by which an indorser negatives his own personal responsibility upon the instrument.

SAPPAN WOOD.—The wood of an Indian tree, the *Cæsalpina Sappan*. It is the source of a red dye used in calico printing.

SAPPHIRE.—A precious, transparent variety of corundum (*qv*), distinguished by its brilliancy and its beautiful blue colour, which is due to the presence of minute quantities of foreign matter. The finest stones are a bright "cornflower" blue. They are obtained from Siam, Ceylon, and Burmah. Inferior varieties have been found in Borneo, Australia, the United States, and in Bohemia. The ruby (*qv*) belongs to the same mineral species.

SAPUCAIA NUTS.—The oval seeds or nuts obtained from the large, urn-shaped fruit of a Brazilian tree, the *Lecythis zabucapo*. They are found enclosed in the case-like fruit in much the same way as Brazil nuts (*qv*), but their flavour is finer, and they yield a valuable oil. They are exported from Para.

SARAWAK.—(See **BORNEO**.)

SARDINE.—A favourite *hors d'œuvre*. It is a small fish of the herring family, closely resembling the pilchard (*qv*). Indeed, it is maintained that "sardine" is simply a name used commercially for young pilchards. The fish is plentiful in the Mediterranean, and owes its name to the island of Sardinia. The most important fisheries are, however, carried on off the French coast, and the tinning of sardines is one of the chief industries of Brittany. The pilchards found abundantly off the Cornish coast are either salted for exportation to Southern Europe, or preserved in oil in the same way as the sardines of France.

SAROKOWAJA.—(See **FOREIGN WEIGHTS AND MEASURES—RUSSIA**.)

SARSAPARILLA.—The bitter dried roots of certain evergreen shrubs of tropical America belonging to the order *Smilax*, from which a decoction is made, used in medicine as a tonic. The value of the drug is, however, open to question.

SASCHEN.—(See **FOREIGN WEIGHTS AND MEASURES—RUSSIA**.)

SASSAFRAS.—A North American tree of the laurel order, with an aromatic bark. It yields a

volatile oil of some medicinal value in diseases of the skin.

SATIN.—A smooth fabric with a lustrous surface. It consists of closely woven silk, and is used for high-class garments, linings, trimmings, etc. The manufacture is now carried on in England, but the best satin is imported from Lyons. Satinet and sateen are cotton fabrics woven in the same way as satin, and possessing the same shining surface.

SATINWOOD.—A valuable and beautiful wood of light colour obtained from two tropical trees, one of which is found in Southern India, and used there for building purposes, while the other grows in the West Indies. Satinwood owes its name to its smooth, lustrous surface. It is prized by cabinet makers, and is much used for inlaying and other ornamental purposes, as well as for panelling cabins on board ship.

SAUSAGES.—Chopped meats of various sorts, mixed with flour or bread and seasoning, and packed in gut skins of different lengths. Before the war, this country imported large numbers of sausages from Germany, and Bologna, in Italy. The skins used in their production are supplied by Australia.

SAUTERNE.—A delicate white wine made in the Bordeaux district, from a species of over-ripe grape. A similar wine is now produced in California.

SAVIN.—The *Juniperus Sabina*, a shrub of Southern Europe, and the oil obtained from it. The latter is used in pharmacy in the preparation of an ointment, and is sometimes administered internally as a diuretic, but care is required in its use.

SAVINGS BANK.—There are many varieties of savings banks—even municipal savings banks where a municipality takes deposits and pays its depositors interest. The savings banks treated of in this article are those where the State has assumed a special position in regard to such banks. But there will be excluded therefrom those established for certain classes of people only and not for the general public. Thus there are military savings banks, naval savings banks, and railway savings banks under particular Acts of Parliament. The banks which may be described generally as savings banks are those that come under (1) the Trustee Savings Banks Acts from 1863 (26 and 27 Vic. c. 87) to 1904 (4 Edw. VII. c. 8); and (2) the Post Office Savings Banks, established first in 1861 by the Post Office Savings Bank Act of that year (24 and 25 Vic. c. 14), with subsequent enactments. The Post Office Savings Banks are also within the Act of 1863 in many respects, as the Postmaster-General was empowered in 1887 to apply its provisions to them, and from 1880 to 1904 there has been a series of Savings Banks Acts applying to both classes of banks.

1. **Trustee Savings Banks.** These are so-called because the savings bank system began about a century ago with banks managed by local trustees, who took the responsibility of accepting and investing deposits; the State in those early days assuming no responsibility. But in 1817 the Commissioners for the National Debt were empowered to receive the funds of Trustee Savings Banks, and pay interest thereon at the rate of £2 15s. per cent. per annum. The Government thus becoming their bankers, trustees were relieved of anxiety as to the safety of their investments; but this does not imply that the Government is liable to the depositors for the money deposited; and the Trustee Savings Bank is forbidden to use any title which implies that the

Government is responsible. Yet alike for the Trustee Savings Banks and Post Office Savings Banks by Acts of 1861 for the latter and 1904 for the former, if there should be a deficiency of the capital fund invested to meet the claims of depositors, the Treasury on being informed thereof by the Commissioners may issue the amount of such deficiency out of the Consolidated Fund, certifying the amount to Parliament.

The definition of a Trustee Savings Bank is given as follows by the Act of 1863: An institution in the nature of a bank to receive deposits of money for the benefit of persons depositing, to accumulate the produce of so much thereof as is not required by the depositors, their executors, or administrators at compound interest, and to return the whole or any part of such deposit and the produce thereof to the depositors, their executors, or administrators (deducting out of such produce so much as shall be required for the necessary expenses attending the management of the institution), but deriving no benefit whatsoever from any such deposit or the produce thereof.

Institutions coming under this definition must have their rules and regulations certified to this effect by the Registrar of Friendly Societies, and they then become entitled to the privileges of the Act, and their legal title is "Savings Bank certified under the Act of 1863."

Savings banks that are not certified under the Act may be entitled to open accounts in a Trustee Savings Bank or a Post Office Savings Bank. Penny banks may do so with the consent of the Commissioners, and the trustees of the bank and the Postmaster-General may defray the expenses of a penny savings bank having a deposit account with them for its necessary account books and stationery and so on, and for inspecting and auditing the books of the bank; and these expenses of the trustees are necessary expenses allowed them under the Act. A penny savings bank for this purpose is one whose rules fix a sum not exceeding £5 as the maximum deposit of any one depositor at one time, and which maximum is to be transferred in the depositor's own name in the savings bank where the deposit account is kept. Under the provisions of the Act, banks of trade unions registered as friendly societies have the same privilege. Depositors in the Trustee or the Post Office banks are not allowed accounts in more than one such bank, or more than one account in the same bank, and the amount illegally deposited may be forfeited. But the penny bank or the friendly society depositors are exempt from this provision.

The amount allowed to be deposited in any one year is £50, whether there have been drawings or not; and no deposit is to be received which makes the amount of deposit more than £200, nor is interest allowed beyond that sum. While the interest allowed in the Post Office is £2 10s. per cent. per annum, the interest in the savings banks varies according to the rules of each bank, but by the Savings Bank Act, 1888, it is not to exceed the Post Office rate.

Depositors both in the Trustee and the Post Office Savings Banks may invest any deposit in Government stock—the minimum amount of stock that may be sold or purchased for a depositor being 1s., the maximum for any one year being £200; but the gross amount held at any one time is not to exceed £500.

The depositor may also purchase an annuity up to £100 and an endowment or life insurance may be

effected for that amount in the Post Office savings banks. In what is called the special investment business of a trustee savings bank he may deposit up to £500 in addition. This special investment business of trustee savings banks is now regulated by the Act of 1904, under which trustees may accept deposits to invest otherwise than with the Commissioners of National Debt on certain conditions, the principal being that the bank is to be open duly and to have an aggregate cash liability to its depositors, irrespective of the amount of any special investments of not less than £200,000.

In addition to these means of investment, the depositor may transfer his stock from time to time into the books of the Bank of England; so that there is practically no limit to his stock-holding.

The Society and its Officers. The rules must provide, amongst other things prescribed by the Act of 1863, that the trustees, managers, and treasurer, or other persons having control in the management, shall not derive any benefit from any deposit, and shall not, directly or indirectly, have any salary, allowance, or profit whatsoever beyond their actual out-of-pocket expenses. The appointment and signatures of those who must sign the returns required must be certified to the Commissioners. A list of the trustees and managers must be publicly affixed in a conspicuous part of the office where the deposits are received. The trustees have no liability for what they do according to the Savings Bank Acts or the regulations, or the rules of the bank, but if they pay money to the wrong person the person entitled may sue the recipient. Beyond the necessary expenses of management of the institution, no deductions can be made by the trustees from the deposit investments. These expenses include salaries, allowances, and remuneration of officers. The trustees are liable for moneys actually received on account of the savings bank and not paid over according to the rules; for loss due to non-compliance with the Acts, and rules and regulations regarding the maintenance of checks, audit and examination of accounts, neglecting to take security from officers in accordance with the Acts, and similar duties.

All property of moneys, goods, and securities and instruments of title or obligation vest in the trustees for the use and benefit of the depositors. In case of death or removal of trustees, they vest in the former and succeeding trustees without conveyance, and the trustees are the persons who bring and defend actions in their own names as trustees.

The Inspection Committee. This is an important body of seven members appointed for four years: One by the Governor of the Bank of England, one by the Council of the Institute of Chartered Accountants, one by the Council of the Incorporated Law Society, and one by the Chief Registrar of Friendly Societies. The other three are chosen from persons nominated by the trustees and managers of banks with not less than £500,000 invested with the Commissioners. The committee supervises the operations of the banks and secures conformity to the Acts and rules; it appoints persons to inquire into and inspect the affairs and accounts; and in case of improper action or excessive expenditure, or other default, it reports to the Commissioners, who may close the account of the bank if the conduct objected to continues.

On the recommendation of the committee, and with the assent of the Commissioners, two or more

banks may amalgamate, and the property and funds vest in the amalgamated bank simply by a special resolution of the trustees of the banks as regulated by the Act of 1904. The Committee has to make an annual report of its proceedings to Parliament.

2. Post Office Savings Banks. These banks were established in 1861, and have, in England at least, though not so much in Scotland, seriously affected the trustee savings banks. They have the direct security of the Government, as any deficiency in the funds deposited with the Postmaster-General in the post offices is met by the Treasury out of the Consolidated Fund. The Postmaster-General makes regulations as to all matters relating to the accounts of depositors and for applying to the Post Office Savings Banks such provisions of the Trustee Savings Banks as he may think desirable. Thus, by the regulations, a person is prohibited from being a depositor in both a Trustee and a Post Office Savings Bank or in accounts at different post offices, and must make a declaration that he is not.

By the Savings Bank Act of 1880 the provisions for investment of depositors' accounts in Government stock were made applicable to Post Office as well as Trustee Savings Banks; and what has been said in respect of the latter is appropriate to the former. In both, deposit includes stock held; and as to post offices, the regulations prescribe that, when by the addition of any deposit or of any interest or dividend on stock, or by any other means the total account of a depositor exceeds £200, interest is not payable on the excess. The interest allowed on deposits is £2 10s. per cent. per annum. Disputes as to deposits are settled by the Registrar of Friendly Societies under practically the same rules for Post Office depositors as for those in Trustee Savings Banks.

When the whole amount due to a depositor at his death is not more than £100, exclusive of interest, if within a time prescribed probate or letters of administration are not produced, and if the depositor has made no nomination, payment may be made by the Postmaster-General to or amongst various classes of persons named, such as creditors and the family of the depositor. Moreover, there is power under the regulations, where he considers that injustice, hardship, or inconvenience would result from adherence to such rules, to make distribution otherwise. With the exception of this discretionary power, the trustees of savings banks may proceed in the like manner. In each case, too, the Registrar of Friendly Societies will adjudicate on matters in dispute. There is also the same provision in the case of a minor that his account may be transferred from one bank to another on his own application or on that of a parent or friend, if he is under seven years of age. It may not be withdrawn, however, without the consent of the Postmaster-General, or two of the trustees or managers, until it shall be withdrawable under the rules of the bank from which it is transferred.

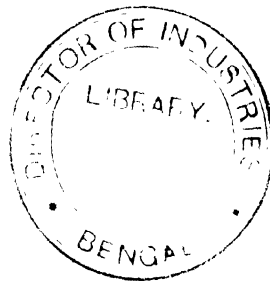
SAVOY.—The winter cabbage, distinguished from the common variety by its wrinkled leaves.

SAWDUST.—The refuse or dust from sawn wood has many uses. That obtained from mahogany is valuable for smoking fish; boxwood sawdust is used for drying washed gold and silver articles, jewellery, etc.; and the ordinary sort is applied in a variety of ways, being used in the manufacture of oxalic acid and soda ash, in addition to its every-day employment as a stuffing for dolls, as a packing material, etc. A species of briquette,

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SCALE 116 MILES TO THE INCH

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useful as fuel, may also be made from a mixture of sawdust and tar.

SCAMMONY.—A brownish gum resin, usually obtained by incision from the root of the *Convolvulus Scammonia*, a plant of Asia Minor and Syria. It is of great medicinal value as a purgative. An inferior variety of scammony comes from Smyrna, while the best is obtained from Aleppo.

SCANDINAVIA.—The name generally applied to the two kingdoms of Norway and Sweden.

SCANDINAVIAN UNION.—This Union, also called the Scandinavian Monetary Union, was formed in 1873, in order to establish a uniformity of coinage, on the same lines as the Latin Union (*q v*). The members of the Union are Denmark, Norway, and Sweden. (See FOREIGN MONETARY UNION.)

SCHEDULE.—A list or an inventory (*q v*). It is the name generally applied to a document or a part of a document appended to or accompanying some other or a larger document. It generally takes the form of a list or catalogue, and gives additional particulars as to the document to which it refers, which particularly cannot be conveniently incorporated in the original document itself. Thus, a schedule is always added to a bill of sale (*q v*) setting out a full list of all the goods which are to form the security given to the lender of the money under the bill of sale.

SCHOOLS, COMMERCIAL.—(See COMMERCIAL EDUCATION.)

SCHOOLS, CONTINUATION.—(See CONTINUATION SCHOOLS.)

SCHOPPEN.—(See FOREIGN WEIGHTS AND MEASURES, GERMANY.)

SCHICET.—A contraction of the two Latin words, *scire licet*, "you may know." In its rare use in English it means "that is to say," "namely," "to wit." (Compare VIDELICET.)

SCOTLAND.—**Position.** Scotland, the northern portion of the Island of Great Britain, occupies an area of nearly 30,000 square miles, or about one-quarter of the area of the British Isles. The population is about 4,750,000, being greater than that of Ireland, but only about two-thirds of the population of Greater London. On all sides, Scotland is surrounded by seas, except on the short southern boundary line, 70 miles across, from Solway Firth to the mouth of the Tweed.

Coast. The coasts of Scotland are deeply indented by arms of the sea, and this results in no place being more than 40 miles from the coast. There is 1 mile of coast to every 11 square miles of area, a proportion greater than that shown by any other European country with the exception of Greece. Between Glasgow and Alloa, the east and west coasts approach within 24 miles of each other, and a ship canal, which could easily be constructed across this neck, joining the Forth and Clyde, would prove of great commercial and strategic importance. The project is under discussion at the time of writing, and it seems highly probable that the present Forth and Clyde canal will be made into a ship canal at no distant date. The generally rocky and mountainous western coast of Scotland has many drowned valleys, called lochs, which correspond to the fiords of Norway, and form excellent harbours, but the lack of productive hinterlands at present, and probably for all time, makes them of comparatively little importance. The only important harbour is where the Clyde estuary stretches into the Lowlands. The east coast is low; the only exceptions are between

Peterhead and Fraserburgh, and between Aberdeen and Arbroath, where the Grampians approach the sea; and at St Abb's Head, where the Lammermuirs stretch to the coast. Good harbours are found where the Tay and Forth reach into the heart of the Lowlands, and at the mouth of the Aberdeenshire Dee. The southern coast is mainly low and flat, and of small importance, while that of the north is high and rugged.

Build. The mainland of Scotland divides into three regions: (1) The Highlands, lying north of an almost straight line drawn from Stonehaven on the east coast to Helensburgh on the estuary of the Clyde in the west; (2) The Midland or Kitt Valley, lying between the Highland boundary fault and an almost straight line from Dumbarton to Girvan; and (3) the Southern Uplands, lying south of the last-mentioned line and terminated on the south by a line along the Solway Firth, and the Cheviot Hills. The two latter divisions are often classed together as the Lowlands of Scotland, but the name, in a geographical sense, is more applicable to the Midland Valley. The Highlands are composed mainly of hard crystalline rocks of great age, and form a lofty plateau rising in parts to heights of 3,000 and 4,000 ft above sea-level. They are divided by the deep and narrow glen called Glenmore into the Eastern or Grampian Highlands, and the North-West Highlands. The Highland rocks weather slowly and yield poor, thin soils. Deep valleys and glens cut up the Highlands, and the characteristic landscape consists of grass or heather moor, overtopped by heights, whose summits are bare and stony. The combination of beautiful lake and grand mountain scenery makes them the resort of tourists in summer, and thus a certain proportion of the Highland population is enabled to derive part of its subsistence from the tourist traffic. The Grampians are of a greater average elevation than the North-West Highlands, in both the higher elevations and the water-parting are nearer the west coast than the east, and consequently the westward flowing rivers fed by Atlantic rains are short, full, and rapid, and constitute a source of mechanical power. Among notable peaks of the Grampians are Ben Nevis (11,066 ft), the highest mountain in the British Isles, Ben Macduin, Cairntoul, and Cairngorm, all 4,000 ft. or over. In the North-West Highlands, Ben Attow attains 4,000 ft., while Ben Dearg and Ben Wyvis are of lesser altitude. Notable Highland streams are the Dee and Don flowing eastwards, and the Findhorn and Spey flowing northwards. The lowland regions of Northern Scotland are the narrow coastal plains almost continuous along the eastern coast from Caithness to Aberdeen, and they are the richest and the most populous parts of the Highlands. Numerous lakes are scattered about the Highlands, like the sea-inlets, they are called lochs, and many of them are most picturesque. Among them are Loch Shin, Ness, Maree, Awe, Lomond (the largest in Great Britain), and Tay. One of the most beautiful of Scotch lakes, although a small one, is Loch Katrine in the Trossachs district; here the tourist finds the grandeur of mountain crags and the sylvan beauty of silver birch and oak.

The Midland Valley is the most important, richest, and most thickly populated part of Scotland. It must not be imagined that it is a low plain, for though its average altitude is much less than that of the Highlands or the Southern Uplands, it yet contains high hill ranges, some of which attain heights of 2,000 ft. and more. A striking feature is

the narrowness of this part of Scotland, even if no account is taken of the Firths of the Tay, Forth, and Clyde. South of the southern edge of the Grampians stretches a diagonal belt of old red sandstone, which, being of a soft nature, has been easily worn down, and forms the fertile plain of Strathmore (the Great Valley). South-east of Strathmore stretch the Campsie Fells, the Ochil Hills, and the Sidlaw Hills, formed of igneous rocks, and through which the three most important rivers of Scotland, —the Clyde, Forth, and Tay—have worn valleys. Between these hills and the Lanark Moors and the Pentland Hills, which are composed of igneous rock, is a low region, stretching from sea to sea; and here the old red sandstone is covered by the younger rocks of the carboniferous system, with their rich stores of coal, iron ore, and oil-shale.

The Southern Uplands are, like the Highlands, a partially dissected plateau. The rocks of which they are composed are of a gitty and slaty character, and consist of shales, limestones, and other sedimentary rocks of greater age than the rocks of the Midland Valley, but younger than those of the Highlands. Of lesser average height than the Highlands, the Southern Uplands nevertheless contain heights little short of 3,000 ft., and form a barrier between Northern England and Scotland's heart; they long preserved the independence of Scotland. The valleys through which the rivers flow are wider than those of the Highlands, and there is a greater proportion of lowland; most of the Galloway peninsula is lowland. Among the chief hill ranges are the Lowther or Lead Hills to the west, and the Moorfoot and Lammernuir Hills to the east. The Cheviots, composed of igneous rock and granite, are joined to the Southern Uplands by a ridge of high ground. There are many rivers in this region, but none, excepting the Clyde, of great commercial importance; the Luce Water, Cree, Dee, Nith, Annan, and Liddell flow southwards; the Don, Ayr, and Clyde north westwards; and the Tweed eastwards to the North Sea.

The Islands of Scotland may be divided into—

- (1) *The Outer Hebrides,*
- (2) *The Inner Hebrides,*
- (3) *The Orkneys,* and
- (4) *The Shetlands*

The Outer Hebrides are surrounded by a sea, whose depth is greater than 50 fathoms, and are separated from the mainland by the broad channel called the Minch. They consist of the large island of Lewis Harris, with several smaller isles. The rocks of which they are composed are of great age, but great denudation has resulted in most of the surface being under 500 ft.

The Inner Hebrides are separated from the mainland by a sea less than 50 fathoms deep, and are mainly of volcanic origin; the islands of Skye, Bute, and Arran are the most important.

The Orkneys, seventy in number, of which the largest are Pomona, Hoy, and Sanday, consist of old red sandstone, and are separated from Caithness by the Pentland Firth, which is about 10 miles wide. Fifty miles north of the Orkneys lie the Shetland Isles, 100 in number, the largest of which are Mainland, Yell, and Unst. They consist of crystalline rocks like those of the Highlands. Both the Orkneys and the Shetlands are swept so much by Atlantic winds that tree-growth is almost impossible.

Climate. The chief factors determining the climate of Scotland are: The direction of the prevalent winds, the build of the country, the influence of the

surrounding seas, and its latitude. Scotland lies the track of the westerly and south-westerly Atlantic winds, which, striking the Western Highland deposit much rain on the western slopes, and a little on the leeward slopes. The east, though receiving some rain from the westerly winds, which come through the lowland passages, and from the winds that at times blow from all quarters, is much drier than the west, and hence more suitable for agriculture. The mountainous parts of the west receive an annual rainfall of from 60 to 80 in. On the other hand, the eastern parts of the Southern Uplands and the Midland Valley 40 to 60 in., and the coastal plains and lowlands of the east from 25 to 40. As regards temperature, the striking facts are that the isotherms run east to west in summer and north to south in winter. The west of Scotland has practically the same mean temperature in winter as London, and this is to be attributed to oceanic warmth, and to the latent heat set free when the water vapour, brought by the winds from more southerly latitudes, is deposited as rain. The climate of the Northern Highlands is very unfavourable for agriculture, for though from its latitude the days are consequently very long at midsummer, they are counterbalanced by the long nights of winter, and again there is but a small yearly percentage of sunshine, as the sky is often thick with clouds. The heavy rainfall has the twofold effect of making the soil cold, and of leaching it of various plant-food constituents. Naturally, in the lofty Scottish Highlands, the winters are very severe, in the lowland of the Midland Valley and the Southern Uplands the lowest winter temperatures are found on the east.

Productions and Industries. (1) *Agriculture and Food Products.* The mountainous nature of the greater part of the surface of Scotland, the thin soil of many regions, and the heavy rainfall of the west limit the growth of agricultural products to the coastal sills, the lowland districts, and some of the sheltered valleys in the Highlands. For an average growth 42° F. is approximately the lowest temperature for most temperate food products, and they require many summer days with higher temperature to reach maturity; no part of the British Isles has a large margin of climatic power available for the cereals; and for wheat, Scotland has few tracts suitable. The cereals chiefly grown are oats and barley, as they are hardier than wheat, and can resist moisture better. Fife and the Lothian counties are the most productive areas. Wheat is mainly grown in the Lothians and the Merse of Berwick. Root crops are important in Southern Scotland for winter feed for cattle. Scotch farmers are noted for their excellent intensive farming, by which they wring from comparatively poor soils crops equal and even superior in yield to those of other countries with better conditions of soil and climate. Excellent temperate fruits are grown in the Carse of Gowrie, which extends along the northern shore of the Firth of Tay, and Dundee obtains part of its fruit supply from this source. Dairy farming is carried on in the coastal lowlands and valleys.

(2) *The Pastoral Industry.* About 75 per cent of Scotland is covered with grass of some kind, and all the hilly and mountainous districts are more or less pastoral regions. Many sheep graze on the Southern Uplands; the counties of Roxburgh, Selkirk, and Berwick have on the average one sheep to the acre. Among the chief breeds are the white and black-faced Cheviots, which yield mutton

fine quality, and thick, strong wool; and the Border Leucesters, which supply excellent long wool. Cattle are fed both in the Highlands and in southern Scotland; in no county, however, are cattle very numerous; most are found where the grass is rich and the winters fairly mild, conditions fulfilled in Renfrew, Wigton, the Lothians, Fife, and Aberdeen. Highland cattle are small and hardy, and yield good beef. Horses are reared in Fife and Linlithgow, and Clydesdale is noted for its heavy farm horses. Small ponies are found in the Highlands and the Shetland Isles. The Highland population, never large, has declined of late years owing to the great difficulty of obtaining a livelihood, and the making of "deer forests," which render less land available for the pastoral industry.

(3) *The Mining Industry.* The Midland Valley is rich in minerals, and the mining industry is chiefly centred in this region. Coal and iron are the most important minerals. The chief coalfields of Scotland are four in number, and are all situated in the Midland Valley: (1) The Ayrshire coalfield, (2) the Central coalfield in Lanark, Linlithgow, and Stirling; (3) the Edinburgh or Midlothian coalfield, and (4) the Clackmannan and Fife coalfield. They produce about one-sixth of the coal supply of Britain, or slightly less than that of the South Wales coalfields. Oil shale is an important mineral product of the Midland Valley, especially in Midlothian, West Lothian, and Fife, from it are obtained, by distillation, oil, wax, and ammonium sulphate. The chief iron centres of Scotland are Glasgow, Airdrie, Coatbridge, Motherwell, and Kilmarnock. Blackband and clayband iron ores are found, but they have now to be supplemented by the red hæmatite of Spain. Excellent material, suitable for the construction of bridges, reservoirs, and large buildings, is provided by the granites of Aberdeenshire and Galloway; and the red sandstones of Caithness, when cut into slabs, are excellent for pavements. Blue, green, and grey slates are found in Perthshire and Argyllshire, at Easdale and Ballachulish. Peat is found in many parts of the Highlands, where it is cut and dried for fuel. In the Lowther Hills, lead, associated with a small percentage of silver, is found, and both metals are extracted.

(4) *The Fishing Industry.* The Scottish fisheries may be divided into: (1) The West Coast, (2) the Orkneys and Shetlands, and (3) the East Coast. The fish caught include cod, herring, mackerel, lobster, and turbot. Stonoway in Lewis Harris and Portree in Skye are the centres of the Hebrides' fisheries; being remote from the populous Midland Valley, the Hebrides have laboured under a disadvantage as regards transport, but railways, aided by government subsidies, have been constructed through the Scottish Highlands, and thus provide quick transit. The Clyde ports are also engaged in the Western fisheries. Lerwick is the centre of the northern fisheries, and as the fish are largely salted for the markets of the Latin countries, quick transit is not here so necessary. The chief centres of the Eastern fisheries are Wick, Aberdeen, Peterhead, Stenichaven, Fraserburgh, and the Forth ports. From Aberdeen and Leith trawlers go eastwards to the North Sea banks. The whale fishing in the Arctic seas, from the eastern ports, formerly important, has now greatly declined. Salmon are caught in the Tweed, Tay, Spey, Don, and other rivers. About 30,000 men are engaged in the fishing industry.

(5) *The Manufacturing Industries.* Of the manufacturing industries that of iron is of high importance, and, in it, there is much specialisation. The chief towns engaged are Glasgow, Airdrie, Coatbridge, Kilmarnock, Falkirk, Hamilton, and Motherwell. Glasgow engineering works turn out locomotives, various kinds of machinery, and, in fact, practically every kind of iron goods. Excellent communications, the coal in the neighbourhood, and the easily obtainable iron ore give these centres great advantages. Shipbuilding on the Clyde at Glasgow, Greenock, Dumbarton, and Port Glasgow still ranks as the most important in the world, and some of the largest and fleetest of ocean-going ships have been launched on the Clyde. Cotton is manufactured into cotton thread at Paisley, and Glasgow makes cotton goods, but not to a very great extent. Coal and a moist climate are factors aiding the industry. "Tweed" woollen goods are made at Peebles, Galashiels, Hawick, Jedburgh, Langholm, and Dumfries, where wool is easily obtainable, where streams abound, where railway transport is good, and where coal is the only factor of success lacking, but can be obtained with no great difficulty from the coalfields of the Midland Valley. Tartans are manufactured at Stirling, and carpets at Ayr and Kilmarnock. Fife possesses advantages for the linen industry in the coal of the Fife and Clackmannan coalfield, the humid atmosphere, and the ease of obtaining flax from the Baltic countries. Dundee, the chief centre, is noted for its table linen. Kirkcaldy (also noted for its hosiery and oil-cloth), Forfar, Arbroath, and Dundee make coarser linens, such as canvas and sail-cloth. Jute and hemp manufactures, notably sacks and ropes, are confined to Dundee, Arbroath, and Montrose, jute being obtained from India and hemp from Russia. Of the chemical manufactures, Glasgow is the chief centre, possessing advantages for the production of sulphuric acid and soap. In the oil shale districts, candles are manufactured. Paper is made in the Esk Valley, near Edinburgh, the pure water and wood pulp, easily procured from Norway and Sweden, lending aid. Dundee is noted for its jam and orange marmalade. Beer is chiefly brewed at Edinburgh, and whiskey is distilled in the Highlands and all the large cities. Campbeltown is an important centre. A special flavour is given to the Highland whiskey by the smoke of burning peat. Greenock refines sugar obtained from the West Indies. The famous Harris tweed cloth is made by the crofters of the Highlands and the Hebrides. An interesting feature of Scottish industries is the utilisation of the water-power of the Highland rivers and waterfalls in recent years for the electrical extraction of aluminium from its ores; Foyers and Kinlochleven are the chief centres at present. More use may be made of the water-power of the Highlands in future years.

The Waterways. The Clyde, Forth, and Tay are the chief navigable rivers, and provide convenient outlets for the products of the Central Valley; the Highland rivers are too fast flowing for traffic, and flow on the whole through thinly populated regions. Glasgow's trade and the traffic on the Clyde have been increased by the deepening of the Clyde from Dumbarton to Glasgow, which enables large vessels to reach the latter port. Of the canals, that of the Forth and Clyde, which connects these two rivers, only enables small vessels to proceed along it, and the Crinan Canal cut through the Mull of Kintyre, shortening the voyage from the Clyde to the Hebrides and the north-west coast, as well as the

Caledonian Canal, which utilises Lochs Ness, Orich, and Lochy, giving a complete waterway of over 50 miles from the west to the east coast of Scotland, are of minor importance. Neither the Caledonian nor the Cinnan Canal form routes connecting places of great trade.

The Railways. The railway routes of Scotland are interesting as showing the tendency of railways to utilise, where possible, river valleys, coastal plains, and mountain and hill passes. The chief railways of the Southern Uplands are the Glasgow and South-Western, the Caledonian, and the North British. Starting at Carlisle, the Glasgow and South-Western follows the northern coast of the Solway Firth as far as Dumfries, then ascends Nithsdale, and runs thence through Kilmarnock to Glasgow (St. Enoch). Branch lines run from Dumfries to Stranraer for the Irish traffic, and from Glasgow by Ayr to Stranraer. The Caledonian main line, starting also at Carlisle, follows the Annan Valley, crosses the Beattock Pass (1,000 ft.), and then has an easy run down Clydesdale to Glasgow. At Carstairs the route diverges: (1) Through Motherwell to Glasgow, (2) through Stirling, Dunblane (branch through Callander to Oban), Perth, and Forfar to Aberdeen, and (3) to Edinburgh. The western or Waverley route of the North British has the most difficult route of all, for it crosses two watersheds: (1) By the Riccarton tunnel (nearly 1,000 ft.) and (2) by the Heriot Pass (900 ft.). Starting from Carlisle, it passes through Hawick and Galashiels, and descends the Esk Valley to Edinburgh. The East Coast route of the North British, starting at Berwick-on-Tweed, runs quite near to the coast till near St. Abb's Head, where it bends inland, and utilises an easy pass to the Lothians, on its way to Edinburgh it passes through Dunbar and Prestonpans. The North British line continues from Edinburgh by the Forth and Tay bridges to Dundee, Arbroath, Montrose, and Aberdeen, and branches run through (1) Falkirk and (2) Bathgate and Ardrie to Glasgow. A branch also runs from Glasgow by Loch Lomond and the Moor of Rannoch to Fort William. The Highland railways are the Great North of Scotland Railway and the Highland Railway. The Great North of Scotland runs from Aberdeen through Huntly, Cullen, and Buckie to Elgin, and has branches to Banff, Peterhead, and Fraserburgh. The Highland Railway, starting from Perth, utilises glens and passes, and runs through Dunkeld, Blair Athol, Aviemore (branch to Elgin), Inverness, Dingwall (branch to Strone Ferry), Tain, and Helmsdale to Wick and Thurso.

Commerce. The foreign trade of Scotland is largely conducted by Glasgow, whose greatest trade is with America. The east coast ports trade with the Baltic and North Sea countries of Europe, and also do an extensive coasting trade. On the west the chief seaports are Glasgow, Greenock, and Ardrrossan, while those of the east coast are Leith, Grangemouth, Dundee, and Aberdeen. The sea-routes between Scotland and Ireland are Glasgow and Greenock to Londonderry, Belfast, and Dublin; Ardrrossan and Troon to Belfast; and Stranraer to Larne (the shortest sea-passage between Great Britain and Ireland). The principal exports are manufactured goods (including iron, linen, cotton and woollen goods, whiskey), cattle, and fish, and the imports, as might be expected, are chiefly raw materials for manufactures and food-stuffs of all kinds.

Trade Centres. The population of Scotland is chiefly centred in the Midland Valley, especially in the Forth and Clyde basins, and in the coastal towns; there is no ring of large towns in Scotland, not even in the Glasgow district, comparable to the ring of cotton towns in Lancashire. Over one-third of the total population is contained in the four towns: Glasgow (with over 1,000,000), Edinburgh (330,000), Dundee (with over 180,000), and Aberdeen (with nearly 170,000); no other towns have populations of 100,000. The trade centres are the seaports, manufacturing towns, and towns commanding routes.

Seaports. *Glasgow*, on the Clyde, the largest shipbuilding port in the world, owes its importance to the Lanark coalfield with its coal, limestone, and iron-ore, its relation to the New World, its site in relation to communications by sea and land, and its position at the lowest bridged point of the Clyde, which gives it advantages over the other Clyde ports. Its numerous industries include almost every kind of manufacture. Its population, at the census of 1911, was 784,000, but is now estimated to be between 1,000,000 and 1,200,000.

Greenock (79,000) is the only other port of much consequence on the Clyde; its export trade is small, and its only industries of importance are the refining of sugar and the smelting of iron.

Ardrrossan and *Troon* are the coal ports of the Lanark coalfield, and carry on an export trade with Belfast.

Leith (80,000), the seaport of Edinburgh, exports machinery, coal, cotton goods, and linen goods to the Baltic and North Sea countries. Its industries include shipbuilding and distilling.

Dundee, on the Tay, was once the centre of the whale fishing industry. It is now important for its manufactures of jute and linen, and its jam, marmalade, and confectionery.

Aberdeen (the granite city) is at the mouth of the Dee and Don valleys, and from it roads and railways radiate in all directions. It has an important granite quarrying industry, is a fishing port, and builds fishing boats. Cattle are an important export. Its other industries include the manufactures of woollen goods and paper, and the distilling of whiskey.

Grangemouth, on the Forth, is the eastern outlet of the coal and iron goods of the Central Valley.

Of towns commanding routes, Edinburgh, Stirling, Perth, and Inverness are excellent examples.

Edinburgh (330,000), the capital of Scotland, stands in the defile between the Pentlands and the eastern coast, and commands routes leading to the Midland Valley, and the eastern entrances into England. As a printing and publishing centre it is important, its other industries are brewing, distilling, and milling.

Stirling, like Edinburgh, grew round a castle, and is situated on a high volcanic rock, which overlooks the Forth. It commands one of the most important routes from the Highlands to the Lowlands, like many other towns of strategic importance, it has become a great railway centre. Railway lines from both sides of the Forth meet here, and diverge again. Its manufactures are tarts and woollens.

Perth (the Fair City) is a strategic and railway centre. Its position on the Tay corresponds very much with that of Stirling on the Forth. Railway lines from Stirling and Edinburgh enter it from the south, and other lines diverge from it in many directions. It commands routes to the Highlands, and to Aberdeen, Stirling, and Edinburgh, and is

at the head of the navigation of the Tay. Linen and jute goods are among its manufactures, but its main industry is the dyeing and cleaning of textiles, for which the purity of the waters of the Tay is a great advantage. The population is about 36,000.

Inverness, situated on Moray Firth, at the north-east end of the Caledonian Canal, commands the routes northwards, westwards, and along Glenmore. It is the natural capital of the Highlands, and has a fair trade, and small industries of distilling and the manufacture of woollens.

The remaining manufacturing towns, not previously described, are of comparatively small size; they are the "Tweed" woollen towns, with populations of about 20,000 each, the manufacturing towns of the Clyde with populations ranging from 20,000 to 80,000, *Paisley* being the largest with over 89,000 inhabitants, and the jute, hemp, and linen centres of the east coast, with populations varying from 20,000 to 30,000.

SCRAP.—Chippings of wrought iron and waste old iron of any sort. Scrap iron is exported from England in large quantities for the purpose of remelting.

SCREW-NAILS.—These nails, usually of iron, brass, or copper, are supplied with a spiral groove, which involves them being screwed (instead of hammered) into the article for which they are required as a fastening. Since the middle of the nineteenth century they have been made by machine. Birmingham is the centre of the English industry. The technical name for these articles is wood screws.

SCRIP.—Scrip is a term usually employed to denote the provisional certificate or document indicating possession of so much of a loan, or so many shares, that have been issued for subscription, until such time as the definitive bond or certificate is ready for delivery. In the case of new issues of loans or shares, it is customary for subscribers to have to pay a certain proportion on application, a further instalment on allotment, and further instalments on fixed dates. The subscriber to such a new issue who receives an allotment is furnished with an allotment letter, and after he has paid the next instalment he usually exchanges his allotment letter for a provisional certificate showing the amount of stock or shares of which he is the holder, and the dates on which further payments are due. After the final instalment has been paid, the definitive bonds are issued in exchange for the scrip. It often occurs that some months elapse between the issue of the provisional scrip and the definitive bonds being ready for delivery, and during the interval the scrip may pass from hand to hand in fulfilment of any bargains that may have taken place in the partly paid security.

The following is a specimen of a scrip certificate—

£100
No. 4623.
FOREIGN GOVERNMENT 5 PER CENT STERLING
LOAN OF 1911, FOR £2,000,000, AT 90 PER CENT

• *Scrip Certificate for £100.*

The Bearer of this scrip certificate has paid in respect of One hundred pounds of the above loan, the

sum of £10, leaving a balance of £80, payable as follows—

£10 per cent. on 1st July, 1911.
£10 per cent. on 1st August, 1911.
£10 per cent. on 1st September, 1911.
£25 per cent. on 1st October, 1911.
£25 per cent. on 1st November, 1911.

After payment of the above instalments the Bearer will be entitled to a duly stamped bond in exchange for this scrip certificate. Due notice will be given by advertisement in "The Times" when the bonds are ready for delivery.

Default in payment of any instalment will render all previous payments liable to forfeiture.

For The British Banking Co., Ltd.
Registered JOHN BROWN,
London, 1911. General Manager.

*Receipt for Instalment of 10 per cent.
Due 1st July, 1911.*

*Received 1911, the sum of Ten pounds,
being the instalment due 1st July, 1911.*

For The British Banking Co., Ltd.,
£10 Cashier.

*Receipt for Instalment of 10 per cent.
Due 1st August, 1911.*

*Received 1911, the sum of Ten pounds,
being the instalment due 1st August, 1911.*

For The British Banking Co., Ltd.,
£10. Cashier.

*Receipt for Instalment of 10 per cent.
Due 1st September, 1911.*

*Received 1911, the sum of Ten pounds,
being the instalment due 1st September, 1911.*

For The British Banking Co., Ltd.,
£10. Cashier.

*Receipt for Instalment of 25 per cent.
Due 1st October, 1911.*

*Received 1911, the sum of Twenty-five
pounds, being the instalment due 1st October, 1911.*

For The British Banking Co., Ltd.,
£25 Cashier.

*Receipt for Instalment of 25 per cent.
Due 1st November, 1911.*

*Received 1911, the sum of Twenty-five
pounds, being the instalment due 1st November, 1911.*

For The British Banking Co., Ltd.,
£25 Cashier.

FOREIGN GOVERNMENT 5 PER CENT STERLING
LOAN, 1911.

*Coupon for Two pounds ten shillings due 1st
December, 1911.*

*Payable at The British Banking Co., Ltd.,
London
£2 10s. 0d.*

By the Stamp Act, 1891, as amended by the

Finance Act of 1920, the duty chargeable is fixed as follows—

Scrip Certificate, Scrip, or other document :

- | | |
|--|---------|
| (1) Entitling any person to become the proprietor of any share of any company or proposed company . . . | £ s. d. |
| (2) Issued or delivered in the United Kingdom, and entitling any person to become the proprietor of any share of any foreign or colonial company or proposed company . . . | 0 0 2 |
| (3) Denoting, or intended to denote, the right of any person as a subscriber in respect of any loan raised or proposed to be raised by any company or proposed company, or by any municipal body or corporation . . . | |
| (4) Issued or delivered in the United Kingdom, and denoting, or intended to denote, the right of any person as a subscriber in respect of any loan raised or proposed to be raised by or on behalf of any foreign or colonial state, government, municipal body, corporation, or company . . . | |

The word "share" in the above Schedule includes a fractional part of a share. (Section 9, Revenue Act, 1909)

Every person who issues any scrip certificate, or scrip, before the same is duly stamped, incurs a fine of twenty pounds. (Section 79, Stamp Act)

The separate receipts upon a scrip certificate are exempt from stamp duty. The exemption is given by the Stamp Act, 1891, under Receipt (see RECEIPT) as follows—"Receipt indorsed or otherwise written upon or contained in any instrument liable to stamp duty, and duly stamped, acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal money, interest, or annuity thereby secured or therein mentioned"

A coupon attached to a scrip certificate requires to be stamped

SCRIVENER.—The name of a person who makes it his principal business to put out the money of his clients at interest, receiving a bonus or a commission for his work and labour. The commission so paid is frequently spoken of as a "procuration fee"

SCRUPLE.—A small weight, equal to twenty grains. (See WEIGHTS AND MEASURES)

SCRUTINEER.—Literally, a person who makes a close examination of anything. It is often provided by the articles of association of a joint-stock company that when a poll of the members has to be taken a scrutineer shall be appointed whose duty it is to count the votes. If the articles are silent upon the matter, the chairman of the meeting may appoint a scrutineer, or he may himself act in that capacity

The duties of scrutineers are often merely formal, but at times they are very exacting. Due regard must be paid to any provision in the articles as to regulations for voting in person or by proxy, and as to the validity of such votes (e.g., where a voter is in arrears for calls, or the instrument of proxy is not duly stamped or attested, if the latter is required, or such instrument was not deposited in time). Such votes should be rejected. The scrutineers, in entering the votes in the list in either

of the columns "For" or "Against," will make a note in the column of observations, stating the reasons for rejecting any votes. Usually where scrutineers are appointed, they make a written report of the result of the poll to the chairman.

SCRUTINY.—An examination of the voting papers given at an election or upon a poll being taken for the purposes of checking or correcting the result. The term is also applied to any close search or examination.

SCULPTURE.—As to copyright in sculpture, see COPYRIGHT

SEA INSURANCE.—(See MARINE INSURANCE)

SEAL.—A comprehensive name for all pinniped carnivores, of which there are many species. They are widely distributed in the seas of all cold and temperate regions, but those most useful commercially are found in the Behring Strait, Greenland, and Newfoundland. Seal-fishing is regulated and restricted by agreement between Great Britain, Russia, and the United States, and the price of sealskin is consequently high. The fur seals are prized for their coats, which are made into valuable stoles, muffs, jackets, caps, etc., while the true seals are in demand for the oil they yield, as well as for their skins, which are used in the manufacture of leather for bookbindings, boots, etc.

SEAL.—An impression in wax, or other soft substance, made by means of an engraved stamp. The name is also applied to the engraved stamp itself. In olden times the seal was usually attached to the document by a strip of parchment or by a cord. As deeds now require to be signed by the parties thereto, the use of the seal has become a mere formality and a simple wafer is frequently used, as in transfers of shares and stocks, instead of an impression in wax.

The letters L.S. inside a circle, as shown in the margin, which are seen on transfer forms, etc., stand for *locus sigilli*, and mean the "place for the seal"

They do not, however, act instead of a seal or wafer

It is now unnecessary to impress with wax or use a wafer if there is something present which acts the same purpose as a seal. A simple circle suffices, but if the letters "L.S." are enclosed within the circle the wax or the wafer must be affixed

Every limited company must possess a seal, upon which its name must be "engraved in legible characters." This seal, often referred to as the "common seal," is required for the purpose of authenticating certain documents, such as share certificates, debentures, certain contracts, mortgage deeds, etc. It is the common practice, where sealing is necessary, for two directors and the secretary to sign the document, and the seal of the company is then affixed in their presence. As it would be inconvenient to transfer the seal from one place to another, its proper home being the registered office of the company, the Companies (Consolidation) Act, 1908, provides for the execution of deeds abroad. By Sect. 78, it is provided that the company can, by power of attorney under its common seal, empower any person to execute deeds abroad, if necessary; and by Sect. 79, power is also given to a company which has large business abroad to have an official seal, "which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district, or place where it is to be used." The



method of using this official seal, and the binding nature of any contract made under the seal, are thus indicated in the following sub-sections of Section 79, referred to—

"(2) A company having such an official seal may, by writing under its common seal, authorise any person appointed for the purpose in any territory, district or place not situate in the United Kingdom, to affix the same to any deed or other document to which the company is party in that territory, district, or place

"(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him

"(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same

"(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company "

By Sect. 117 of the Act, "a document or proceeding requiring authentication by a company may be signed by a director, secretary, or other authorised officer of the company, and need not be under its common seal "

SEALING MACHINES.—(See PARCEL SEALING MACHINES.)

SEALING WAX.—A composition usually consisting of a mixture of shellac, Venice turpentine, resin, and chalk, together with some colouring matter, such as lampblack, ultramarine, vermilion, or one of the aniline dyes. The best sealing wax consists mainly of shellac and Venice turpentine, while resin and beeswax are the chief constituents of the common variety used for sealing bottles

SEA LETTER.—Also called ship's passport (*qv*)

SEAPORT.—A city or town which is situated at or near a harbour on the sea-shore or at the mouth of a river

SEARCHERS.—These are the Custom House officials whose duty it is to taste, weigh, measure, and examine the goods which are reported into a country for the purpose of fixing the duty chargeable upon the same, if they are liable to duty at all, when the goods are landed from ships, or, in the case of goods which are being exported, to watch over and certify as to their regular shipment in accordance with prescribed rules

SEARCH WARRANT.—This is an authority given by a justice of the peace or stipendiary magistrate (*qv*) to a police officer named therein to enter into some specified house or premises in order to search for and to seize, if discovered, the particular property in respect of which it was granted. It is not necessary to name the particular goods. The officer to whom the search warrant is issued should first of all demand admission to the specified premises and state the object of his visit; but if admission is refused he is entitled, provided the warrant is in his possession, to accomplish his object in the best way he can, according to circumstances. Although a search warrant may be issued on a Sunday, it should never be issued authorising a search in the night, unless the case is one of great urgency or of practical certainty, *i.e.*, not a

case of suspicion only. A search warrant is most frequently issued where property has been stolen and is supposed to have been conveyed to certain specified premises. But by various recent statutes its use has been extended to a large number of offences, and in some cases there is actually a right of search (especially under the Prevention of Crimes Act, 1871) when stolen property is believed to be on the premises of persons who have been previously convicted, without a warrant being issued by a justice as a condition precedent.

SEAWORTHY.—This is the word invariably used to signify the fitness of a vessel to undertake the particular voyage contemplated. It is one of the implied warranties in policies of marine insurance (*qv*), except in the case of time policies, and in the contract for the carriage of goods by sea.

The warranty of seaworthiness does not apply except to the time when the vessel is being loaded and up to the date of her sailing. There is no implied warranty that she will continue to be seaworthy throughout the voyage, or during any particular part of it.

It is a presumption of law that a vessel is seaworthy when she commences her voyage, but if there arises anything of a serious nature shortly after her sailing, the burden of proof (*qv*) as to her seaworthiness at that time will be upon the insurer, *i.e.*, the presumption is rebuttable under the special circumstances of the case

SECOND CLASS PAPER.—When bills, drafts, promissory notes, or other documents are guaranteed or indorsed by individuals or firms of the highest standing, payment being considered practically certain at the due date, they are included under the heading of first class paper (*qv*). When similar instruments are guaranteed or indorsed by persons or firms who are not of so high a standing, they are generally known as second class paper, or, if they are particularly doubtful, as third class paper.

SECOND MORTGAGE.—The nature of the security given by a mortgagor to a mortgagee and the remedies possessed by each of the parties to such a transaction are fully described in the article MORTGAGE. But it happens very frequently that when a loan is obtained upon the security of land, the amount advanced is only a fraction of the value of the estate. It may be that the mortgagor does not wish to borrow to the full extent, or it may be that the mortgagee is acting with caution and desires to maintain a handsome margin of safety. But in either case there is something left over which may be a good security upon which a further advance may be obtained. And so it comes to pass that after the original mortgage, *i.e.*, the first mortgage, an additional loan may be negotiated upon the security of the same estate, and this is done by means of a second mortgage. In the same manner, if the whole of the estimated value of the property is not exhausted, there may be subsequent mortgages created, but each one is less valuable than its predecessor. Whatever is here stated as to a second mortgage applies in most respects also to third or subsequent mortgages.

The first mortgagee has the legal estate (See MORTGAGE). In almost all cases he will hold the title deeds of the property which has been mortgaged, and if he is a prudent man his position is as secure as anything can be. Suppose he has advanced £5,000 upon the security of an estate which is valued at £10,000. If he has to pursue any of his legal remedies in order to obtain repayment

of his loan there is a handsome margin, and he is very unlikely to be placed in difficulties even though a sale is forced on. Now, suppose the mortgagor wishes to obtain a further advance of, say, £2,000. If the title is good and the valuation is accurate, there may not be much difficulty in obtaining this money, either from the original mortgagee or from some other person. A second mortgage is then created, and the mortgaged estate is the security for the £2,000 subject to the first charge upon it for £5,000, *i.e.*, the estate is conveyed by way of mortgage to the second mortgagee subject to the prior title of the first mortgagee. In the hypothetical case put forward there is still a margin of £3,000 between the value of the estate and the total sum borrowed upon the security of it, and the mortgagor may, if he can find a lender, create a third or even a fourth mortgage, but, of course, each of these will be postponed to those which have already preceded it, and naturally the security becomes less and less valuable as mortgage after mortgage is created.

In most respects, unless the mortgage deed otherwise specifically provides, the rights of a second mortgagee are the same as those of a first mortgagee, except when it comes to a question of foreclosure or a demand for the repayment of the loan. The position of the first mortgagee is detailed elsewhere (See MORTGAGE.) But the second mortgagee is to a certain extent dependent upon the first mortgagee. Whilst the second one wants to realise his security or to obtain back his money, the first may be satisfied with his condition for the time being. There is then practically but one course open to him, unless he is able to get satisfaction by suing the mortgagor on his personal covenant. He must redeem the first mortgage, *i.e.*, pay to him the amount of his mortgage debt and so step into his shoes. This may or may not be a satisfactory solution of the whole matter.

Generally speaking, second mortgages are not to be recommended, and third or subsequent mortgages should always be regarded with suspicion. There is always the chance of a fluctuation in the value of an estate. And if, by any chance, the value should decline to such an extent that upon a forced sale there is not more than enough realised to pay the debt, interest, and costs of the first mortgage, the second mortgagee has nothing to rely upon except the personal covenant of the mortgagor, and this may be valueless. Again, there is always the danger of tacking (*q.v.*), by which a third mortgagee may redeem a first mortgagee and so squeeze out the second altogether. At the best a security of this character cannot but be considered more or less hazardous.

SECOND OF EXCHANGE.—(See FOREIGN BILL.)

SECRETARY.—The vocation or calling of a secretary is one of somewhat extensive limitations, though in later years, probably, by far the largest number of persons belonging to the profession are employed as secretaries to joint stock companies or companies with special parliamentary powers, in which capacities, especially with companies of moderate and large dimensions, the office is of considerable importance, though it is generally found that the duties and responsibilities vary with almost every individual case. Apart from corporate bodies, a large number of people are employed as private secretaries or as secretaries to public institutions and charitable organisations.

Private Secretaries. These are variously employed

in a confidential capacity by important industrial or commercial employers, public men, such as Members of Parliament and large landed proprietors. For the most part, the occupant of such a position is required to have an education of a high order, and an aspirant to such a post would require considerable influence and business acumen to obtain such a position of trust. The duties would naturally be of a very considerable variety, according to the particular vocation of the principal, who, it is quite conceivable, may combine more than one sphere of activity. Many public men are at present busily employed, both commercially and in public life, and they prefer to leave all their confidential matter to one person alone, whether of a public or business character, hence, it is clear that in such an instance the secretary is required to be a man of extensive capabilities, general knowledge, and resource.

Secretaries of Public and Charitable Institutions.

This is a class of secretary which more nearly approximates to that of the many thousands employed in connection with companies. The fiduciary nature of the post is probably not less onerous than in the case of private secretaries. It will be necessary that such a secretary should, in addition to his confidential requirements, possess considerable abilities in connection with business organisation and management, and more often than otherwise he is required to be a man of some influence in the locality in which his activities will be employed. The City Guilds, large professional bodies, hospitals, and similar charitable establishments are each represented by a secretary, who is generally regarded as the mouthpiece of the boards of management.

Company Secretaries. This is the only branch of the profession of secretary which has made any attempt towards organisation as a separate professional body, for, although the Chartered Institute of Secretaries is formed for the purpose of controlling the profession of secretary as applied both to joint stock companies and to other public bodies, this institution contains comparatively few members who are other than those connected with incorporated companies.

The Institute was founded in 1891, and was incorporated by Royal Charter of the King's Privy Council eleven years later, when its membership was approximately 1,500. At the present time, the membership approximates 4,500, but entrance, except in very special instances, can only be obtained by means of passing the prescribed examinations.

The objects for which the Institute was founded are fully contained in the Royal Charter dated November 4th, 1902, copies of which can be obtained from the Secretary of the Institute, 59A, London Wall, London, E.C.2. Briefly, the objects are for testing the qualifications of persons desiring the advantages of professional membership by examination test, and for the granting of certificates of qualification entitling the holder to membership; the holding of conferences, debates, and discussions on all matters of professional interest connected with the duties appertaining to secretarial work; the compilation of a register of secretaries admitted to the Institute, and publication of papers connected with professional matters. Another important object of the Institute is to inquire into and record any matters connected with such branches of the law in which the

secretary might be interested or affected. The Institute is empowered by its Charter to exercise supervision over its professional members, by this supervision it secures a professional standing as defined by the provisions of its Charter. An extensive library, comprising works of every conceivable character connected with secretarial work, is kept at the Institute.

In addition to the central controlling body, a number of provincial branches have been started in the country and the Colonies. At the present time, Birmingham, Glasgow, Liverpool, Manchester, Newcastle, Cardiff, West Yorkshire, Sheffield, and Johannesburg (South Africa), Sydney (Australia), and Melbourne (Australia), have branches, each controlled by a local council, but all governed by the central body in London. These branches are carrying out useful work amongst the members resident in their particular districts, and afford opportunities which would not otherwise be enjoyed by members far removed from the central organisation, which from time to time issues a grant for the formation of branch libraries.

A fellow of the Institute may use after his name the initials F.C.I.S., and describe himself as a Chartered Secretary, an associate may use the initials A.C.I.S., and if he actually holds or has held the position of Secretary may describe himself as a Chartered Secretary.

A syllabus setting out the objects, qualifications for membership, and regulations prescribed for examinations, may be obtained from the Secretary of the Institute at the address given above.

Another secretaries' society is the Incorporated Secretaries' Association, members of which are designated Incorporated Secretaries and may use the initials F.I.S.A. or A.I.S.A. Full information may be obtained from the headquarters of the Association, Rastishaw House, Basinghall Street, London, E.C. 2.

It may be said in general that the qualifications for the post of secretary to a company do not rest solely upon the qualifications required by the above mentioned bodies. These qualifications are merely imposed as a guarantee of probity, position, and intellectual capabilities. The occupant of any important post must, in addition, possess qualities which no professional bodies could easily test.

The modern company secretary must be a man of many parts. He is to the board of directors what the chief of staff would be to a field marshal of an army, with a more or less intimate knowledge of everything with which his company is concerned. He must be approachable by all, and yet preserve a tactful reticence with everyone outside the central board of control. Above all, he is required to be an organiser and administrator, resourceful and alert in every contingency, and possess those enviable qualities required of all controllers of men and affairs.

A Company Secretary's Duties. The primary duty of the secretary to a joint stock company is to be present at all meetings of the directors or shareholders. He is required to record in proper order the transactions arising from those meetings, and will usually be required to formulate agendas for all meetings, though this is sometimes done in conference with the chairman of the company. More usually, however, the whole duties connected with meetings are entirely vested in the secretary himself. He is responsible for the sequence of all arrangements and the records arising therefrom.

In all companies the secretary is held responsible for the control of the office staff, and to a less degree over those clerical assistants who serve in other capacities, such as branches or factories. He must, in any case, be thoroughly familiar with the whole duties affecting administration; and in cases where a responsible official, such as an accountant or registrar, is kept, it is the more usual practice to find that the duties of such officials filter through the secretary before being considered by the board. From this it will be observed that aspirants to secretarial positions must not only be capable men from a secretarial standpoint, but should have considerable knowledge of the higher branches of accounting, inasmuch as although the occupant of this important post may not be required actually to keep books of account, he must, nevertheless, be capable of organising and maintaining the whole fabric of the accounting system, and must, moreover, be in a position to interpret efficiently the figures shown upon accounts and balance sheets, and to readily assimilate and explain periodical statistical returns compiled by the accounts department. In all cases, it will be his business to see that accounts are presented to the board in such a way as to display clearly the information they purport to contain, and he must also be in a position to say that the figures presented are beyond suspicion.

The relations between the secretary and other important officials in a large business vary considerably in most companies, but it is almost universally found that the secretary is the one and only confidential official connected with the board of directors, and the deliberations of the board are known to the directors and the secretary alone.

The actual secretarial duties commence from the moment of incorporation of the company, and will extend throughout the whole routine of management to winding-up, and if winding-up be a voluntary one the secretary is usually appointed liquidator; if under a compulsory liquidation, it is the duty of the secretary to compile a statement of affairs as required by the Companies (Consolidation) Act, 1908. This and other statutes contain many instances where a secretary is liable to serious penalties, in some cases he is solely responsible.

The appointment of secretary is always made by the directors, and is usually supported by an agreement over a term of years, a minute being passed confirming the appointment and broadly stipulating the provisions contained in the agreement. In the absence of any agreement, three months' notice is regarded as necessary to terminate an engagement, given by either party.

SECRET COMMISSIONS.—Under the general law an agent for sale, or one who is employed as agent in any business by another, must not make any secret profit out of his employment, nor receive bribes from parties with whom he deals in the business of his principal. If the agent sells on commission he must not make any concealed profits outside the commission; and he cannot plead any custom of trade as a defence to an action by the principal to recover such illicit profits.

The case of *Bulfield v. Foxwarner*, tried by Lord Chief Justice Russell of Killowen (11 T. L. R. 62 and 282), illustrates the fact that no custom could excuse a breach of this primary duty between principal and agent. But it was also important,

because it may be said to have been the starting point of a movement in which Lord Russell of Killowen and Lord Justice Fry took the principal parts. This was to attempt, by making the taking of secret commissions a criminal offence, to remove this blot on commercial morality. But not until twelve years afterwards was the Prevention of Corruption Act, 1906 (6 Edw. VII. c. 34), passed.

It was settled in 1874, by the Court of Queen's Bench, in *Morison v. Thompson*, 9 Q.B. 480, that any secret profit made by an agent could be recovered by the principal in an action, as though it were the principal's money actually received by the agent for his principal. An agent for purchasing a ship agreed with an agent for selling it, who was to have any excess he could get over a certain amount, to buy at a price above the fixed amount, and take half this excess price. It was held that the agent was not only bound to account in equity by an action of account brought in Chancery, but he was under a legal duty to pay over the amount as money absolutely belonging to his employer. In such a case, too, if the principal could show that he was not reimbursed by his action for money had and received for his use, he would have an action for damages.

In *Bulfield v. Fournier* (*supra*) the agent had made secret profits by not crediting his principal, a French exporter of brandy, for whom he acted as agent in London, with discounts allowed to him on certain orders. The agent also paid commission to a firm for allowing brandy to be formally invoiced to them, which he then sold to his own customers at a higher price. The principal was held entitled to put an end to the agency and recover the money so gained. Lord Russell of Killowen said as to the agent's plea of custom that if such a practice were customary, it was one which juries ought to stamp out. He said he spoke strongly, because he felt strongly; and it would be a bad day for the commercial morality of the country if "agents" were allowed to act in this way behind their principals' backs. He told the jury that an agent was entitled to his agreed commission only, unless it were otherwise expressed or clearly implied, and anything else he got by way of rebate must be accounted for to the principal. The case was taken to the Court of Appeal, and it was there emphatically affirmed that the taking of any secret commission is dishonest and absolutely contrary to the law; and that it is useless to offer evidence as to the existence of a custom in any particular trade.

The Prevention of Corruption Acts. The chief Acts dealing with the prevention of corruption, as regards public bodies and agents, are (1) *The Public Bodies Corrupt Practices Act*, 1889, which was passed to prevent and punish bribery and corruption in regard to public business, (2) *The Prevention of Corruption Act*, 1906, which deals with bribery in private business, and (3) *The Prevention of Corruption Act*, 1916, which amended the Act of 1906 as regards the punishment of serious offences in connection with Government contracts.

The Act of 1906. The most important of these is the Act of 1906, and it is to its provisions that attention will now be given. Under this Act there are two classes of offences—

(a) An agent corruptly accepting or obtaining, or agreeing to accept or attempting to obtain, and any person corruptly giving, or agreeing, or offering to give, to an agent, any gift or consideration as an

inducement or reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business.

(b) Any person knowingly giving to any agent, or if any agent knowingly uses, with intent to deceive his principal, any receipt, account, or other document in respect of which the principal is interested, and which contains any statement which is false, erroneous, or defective in any material particular, and which to his knowledge is intended to mislead the principal.

The above offences are misdemeanours; and any person, on conviction, is liable to imprisonment, with or without hard labour, for not exceeding two years, or to a fine not exceeding £500, or to both such imprisonment and fine. This is when the prosecution is by indictment. If there is a summary prosecution and conviction, the punishment is imprisonment for not exceeding four months, with or without hard labour; or a fine not exceeding £50, or both such imprisonment and fine.

By definition "consideration" includes not only money, but any valuable consideration of any kind.

"Agent" includes any person acting for another; and "principal" includes a person who is strictly the employer of the agent, that is, when the relation of master and servant exists between them.

A person employed by the Crown, or under any corporation, or any municipal, borough, county, or district council, or any board of guardians, is an agent for the purposes of the Act.

As regards this class of agents, they also come under the similar provisions of the Public Bodies Corrupt Practices Act, 1889 (52 and 53 Vic. c. 69).

There has been a case in the Scottish courts where a person was charged with bribing a police constable, and the constable was held to be the agent of the chief constable, while acting in the execution of his duty.

(See also PREVENTION OF CORRUPTION.)

SECRET RESERVES.—This is a form of conserving the financial resources, and is adopted in many of the more wealthy limited liability concerns, the sole object of the operation being to conceal the full amount of their available funds. The practice has become more or less widely indulged in, although many authorities have condemned it as an unsound policy, probably on the ground that in some few instances improper use has been made of the practice, with the sole object of causing fluctuations in the market values of the company's securities. If it could be shown that secret reserves had been created for such a purpose, the action of those responsible would undoubtedly be regarded as a fraudulent procedure. On the other hand, if a board of directors chooses to resort to such methods, with the best intentions of furthering or safeguarding the interests of their company, then little can be said against it. Banking and insurance companies (especially the former) indulge in this practice to a large extent; it has been said that it is part of the duties of bank directors to make provision for unforeseen contingencies in this form of clandestine reserve.

Secret reserves may be made by—

(1) Excessive depreciation of assets, such as writing down the value of premises, investments, etc., below their proper value.

(2) Undervaluation or omission of assets. Assets may be shown at cost though they have greatly appreciated. Stock-in-trade may be valued much below its actual price. Some companies omit their goodwill, though it may be of enormous value. The Bank of England omits from its balance sheet the value of its premises.

(3) Creating unnecessary or excessive reserves for bad debts, discounts, etc.

(4) Charging capital expenditure to revenue as, for instance, debiting additions to buildings to the profit and loss account instead of to the building account.

It must be pointed out that in secretly writing down reserves of profit and loss, the amounts deducted must come from sums which would accrue, or which have accrued, to those accounts since the last balance sheet was rendered, or shareholders would inquire as to why those liabilities were less than those amounts brought forward. (See RESERVES.)

SECTIONAL BALANCING.—This term is applied by some accountants to the "self-balancing" principle of keeping the ledgers, as adopted by those firms that balance their ledgers in groups instead of separately, two or more ledgers forming a group. (See SELF-BALANCING LEDGERS.)

SECURED CREDITORS.—When a man is made a bankrupt his property becomes generally divisible amongst his creditors, but those who, in their dealings with the debtor, have taken care to obtain security are entitled to precedence. The term "secured creditor" means a person holding a mortgage, charge, or lien on the property of the debtor. It does not include a person having a security over the property of a stranger, nor a joint creditor having a security over a joint estate. Again, a judgment creditor who has obtained an order for the appointment of a receiver is thereby made a secured creditor. A mortgagee is a secured creditor under the law of bankruptcy, but a mere licence to seize affords no protection, unless executed prior to the date of the act of bankruptcy to which the title of the trustee relates. The following are amongst the other kinds of agreements, etc., which make a man a secured creditor: An agreement to assign after-acquired property, if it is made clear that the assignee acquires an interest in the property as soon as the assignor acquires it; a charge on money already earned, but not payable until after the assignor became bankrupt; and an assignment of instalments under a hiring agreement accruing after bankruptcy. As to creditors who have issued execution on the debtor's property, they are protected to some extent. If the petitioning creditor is secured, he must, in his petition, either state that he is willing to give up his security for the benefit of the creditors in the event of the debtor being adjudged bankrupt, or give an estimate of the value of his security. In the latter case, he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him, after deducting the value so estimated in the same manner as if he were an unsecured creditor. A secured creditor may realise his security at any time, even after the receiving order. The trustee cannot redeem the security at the value stated in the petition, unless the creditor has proved for the purpose of voting, etc. A trustee to whom the security is given simply takes the creditor's place. He cannot alter the rights of prior or of subsequent mortgagees. A petitioning

creditor who neither gives up nor estimates does not, in the event of the debtor becoming bankrupt, forfeit his security, but his petition will not be good unless amended. If a secured creditor realises his security, he may prove for the balance due to him after deducting the net amount realised; but on surrendering his security to the official receiver or trustee for the general benefit of the creditors, he may prove for the whole debt. A secured creditor must limit his proof to the amount due for principal and interest at the date of the bankruptcy, after deducting the proceeds of the realisation. If a secured creditor does not either realise or surrender his security, he must, before ranking for dividend, give particulars of his security, and the value at which he estimates it. In this case, he may only receive a dividend in respect of the balance due to him after deducting the assessed value. Where a security is valued, the trustee may redeem it on payment to the creditor of the assessed value; and if he is dissatisfied with the assessed value, he may require the security to be sold by public auction. A creditor, however, may require the trustee to elect whether he will or will not exercise the power of redemption, and unless the trustee elects to do so within six months, he is not entitled to exercise it. A creditor may, before the trustee has decided to redeem, amend his valuation and proof on showing that they were made *bona fide* on a mistaken estimate, or that the security has diminished or increased in value. He must bear the cost of amending the valuation of his security and proof, unless the trustee allows the amendment without application to the court. Where, upon amendment, the security is greater than that stated in the original estimate, the secured creditor must refund any surplus dividend he may have received. If the security is less than the original estimate, he is entitled to be paid out of moneys available in the hands of the trustee, but a dividend already paid cannot be disturbed. To sum up, the following courses are open to a secured creditor. (1) He may rely on his security and not prove at all. (2) he may realise his security and then prove for the balance. (3) he may surrender his security and then prove for the whole debt.

(As to voting of secured creditors, see MEETINGS OF CREDITORS; as to the effect of receiving order on a secured creditor, see RECEIVING ORDER.)

SECURITIES.—This term to the business world has a wider significance than is really included in its exact meaning, and the popular meaning is adopted in this article. (See SECURITY.) The holder of a security is entitled to participate in an ultimate distribution of the property represented in his security. We will deal, first of all, with the various *classes* of securities, and then with the *form* in which such securities are issued.

Even in these days, many people are ignorant of the distinction between loans and debentures and shares, and the fact that the word "stock" is used sometimes to denote a participation or share in an undertaking, and sometimes to indicate the form or manner in which ownership is recorded, only serves the more to confuse people. The one great distinction to be borne in mind is that the holder of loan stock, debenture stock or bonds, is a creditor, whereas the holder of capital stock or shares is a partner. The former is entitled to receive a fixed rate of interest, whether it be earned or not; and in the case of a company he is, in the event of liquidation, entitled to a full return of the nominal

amount of the loan he holds before any class of shareholder can receive any portion of the assets. As a shareholder, however, he only receives a dividend, provided it has been earned, and, in the event of liquidation, only participates in any distribution of assets after the claims of debenture holders and the holders of any other issue of shares having prior rights over his have been satisfied in full. Companies often issue, in addition to their ordinary shares, a class of share known as a "preferred share," which carries interest at a fixed rate, *i.e.*, the holder of a 5 per cent. preferred or preference share receives only 5 per cent., however high the profits may be, the circumstance, however, that the rate of interest is fixed does not alter the fact that the holder of such preference share is a partner and not a creditor, and if the dividend is not earned, he cannot claim it as a debt in the way that the debenture holder can claim his interest; and in the event of liquidation he can only participate in any distribution of assets after the claims of the debenture holders have been met in full, although he will probably take precedence of holders of ordinary shares in this respect, preference shares usually having prior rights over ordinary shares.

The following are the most usual classes of securities. First come

Government, State, Provincial, or Municipal Loans.

These are loans issued by the various governing authorities, familiar types of which are Consols and London County Council stock. This class of security is generally an acknowledgment of so much money lent to the Government or municipality, which undertakes to pay interest at fixed dates, and in some cases to repay the principal at a certain date, or even within a certain period. No specific security is given, the lender having to rely upon the good faith of the borrowing authority.

The next familiar form of security of this description is **Debentures**, sometimes called debenture stock, the word "stock" here being used to denote the form in which the loan is issued. Debentures are loans issued by companies (although the term "debentures" is sometimes used in connection with municipal loans), unlike Government loans, however, there is usually some specific security afforded for the loan, the nature of such security being generally indicated by the title of the debentures.

Thus, first mortgage debentures indicates that the loan is secured by a first mortgage on the assets of the borrowing company, and second mortgage debentures shows clearly enough that in front of these debentures there is another loan secured by way of a first mortgage on the company's assets. Sometimes, instead of first and second mortgage debentures, one hears of "A" debentures and "B" debentures, or first debentures and second debentures, which means that, while both are loans, in the event of the company going into liquidation, the first issue must be repaid before holders of the second issue have their money returned to them.

Leaving the subject of loans, we come to shares, the possession of which, as already stated, constitutes a partnership, or participation in a company, whereas the holding of debentures places one in the safer and more privileged, although sometimes less profitable, position of being a creditor. Two classes of shares are by far the most common, *viz.*, preferred or preference shares and ordinary shares.

Preference Shares, as the name indicates, enjoy

superior rights to ordinary shares. A fixed dividend rate is usually attached to them, and the holder of a preference share is entitled to receive an annual or semi-annual distribution, as the case may be, at the rate per cent. named, before anything is paid on the ordinary shares. He is not, however, entitled to receive such dividend unless it has been earned, in which respect he differs from the holder of debentures, whose right to receive his interest is not contingent upon the profits being sufficient. In the case, therefore, of a struggling company, the holder of a 5 per cent. preference share does not necessarily receive his full 5 per cent. dividend, he may, indeed, in bad times receive nothing at all, or it may occur that the profits permit of the payment of, say, 3 per cent., but not the full 5 per cent., in which case he may only receive payment at the former rate. As regards the balance of 2 per cent., his position will vary according to whether the preference shares are cumulative or non-cumulative. In the former case, the holder has a lien on future profits in respect of any deficiency in the rate of previous dividends, that is to say, in the hypothetical case here given, the holder of a 5 per cent. preference share who received only 3 per cent. would be entitled to the balance of 2 per cent., as well as any other arrears that might accrue out of the profits of later years, should they at any time permit of the payment of these arrears, or any portion of them, before the holders of ordinary shares could receive any dividend. In the case of non-cumulative preference shares, however, there would be no right to any arrears, and the 3 per cent. would have to be accepted in full satisfaction of his dividend for the period in respect of which it was paid, the share not conferring any right at any subsequent period to receive the difference of 2 per cent., in other words, the holder of a non-cumulative preference share is entitled to the dividend only in the event of its being earned, and his preference consists merely in the fact that he is entitled to the full amount of his dividend in any given year before holders of ordinary shares may receive a dividend. Thus far we have referred to preference in the matter of dividends only, but preference shares usually have an advantage over ordinary shares in the matter of capital, that is to say, in the event of liquidation they usually take precedence over the ordinary shares in any distribution of assets, but the exact nature of such preference varies according to the terms of issue.

There is a sort of hybrid share, a cross between a preference share and an ordinary share, known as

Participating Preference Shares. These are shares which enjoy a preference in the manner of preference shares, but participate in a determined proportion in any surplus dividend, after the ordinary shares have received so much. For example, a 7 per cent. participating preference share may carry with it the right, after receiving its 7 per cent., to share equally with the ordinary shares in any surplus distribution after 7 per cent. has been paid on the ordinary shares.

Ordinary Shares. These are the parts into which the ordinary share capital of a company is divided, and share in the profits after all prior charges, such as debenture interest and the dividends on preference shares, have been paid.

Deferred (or Deferred Ordinary) Shares. This is a class of share ranking behind the ordinary share, and is often the result of a splitting or division of a former issue of ordinary shares. Its relation to the

ordinary share is much the same as that of the ordinary share to the preference share, the conditions and proportion in which it participates in profits being laid down in the terms of issue.

Founders' Shares. Founders' shares exist in the case of some companies, and usually receive a fixed proportion of the profits after so much has been paid on the ordinary shares. In the case of very successful companies, such as Harrods' Stores, for example, they are often extremely valuable.

Capital Stock. In the foregoing remarks we have purposely used the term "shares" and not "stock" to avoid confusion. Often, however, a company's capital exists not in the shape of shares, but in the shape of stock, thus one may have 5 per cent preference stock, ordinary stock, or deferred ordinary stock. The only difference here is that, instead of the capital of the company being divided into so many equal shares of, say, £1 each or £5 each, it is divisible and transferable in any broken amount. The word "stock" is, however, used in another sense, which we will now describe.

Forms of Securities. The three main forms of securities are stock, shares, and bonds. Stock may be loan stock, as in the case of India Government loan, or it may be capital stock, as in the case of the London General Omnibus Company—that is to say, the holder of £500 of India 3 per cent stock is a creditor of the Government of India to the amount named, whilst the holder of £500 worth of London General Omnibus Company's stock is a partner in that company to the extent of holding £500 worth of capital therein. The ownership of such stock is usually denoted by a certificate (sometimes called "stock certificate"), which certifies that so-and-so is the registered proprietor of so much stock, and this stock may be transferred by surrender of the certificate accompanied by a deed of transfer executed by the individual named on the certificate, in the manner described under the heading of TRANSFER OF SHARES. In the case of some Government stocks, however, transfer can only be effected by the proprietor, or a person authorised by him by means of a Power of Attorney, attending at the Bank of England or other bank and signing a register. Stock transferable only in this manner is known as *registered stock*. The system is tedious and vexatious, and the tendency is towards its abolition.

The difference between stock and shares is that whereas shares represent so many different parts of the capital of *equal value*, stock is transferable in odd amounts. In the case of a company having a capital divided into shares of £5 each or £1 each, it is possible only to purchase and deal with shares of this denomination or multiples thereof, whereas in the case of stock, one can purchase an odd amount. It is possible to buy so odd an amount as £23 13s. 7d. of Consols or most similar stocks. It may be mentioned that stock is always fully paid, i.e., no liability for further payment can attach to it, whereas partly paid shares carrying a liability of a further call may be issued in documentary form.

Stock or shares in respect of which a certificate in the name of the proprietor is issued, and which are transferable by deed of transfer, are known as *registered stock*, or *registered shares*, and this applies equally to debenture stock and capital stock. All these classes of securities can, however, be issued in another form, viz., that of bearer warrants or bonds, a full description of which will be found under the headings of BEARER SECURITIES

and BONDS respectively. The difference between registered stock or shares and bearer bonds or share warrants to bearer (strictly speaking, bond is used to denote a debenture made out in favour of the bearer, whilst shares issued in this form are known as "bearer shares" or "share warrants to bearer") is that the proprietor of the former has his name entered in a register, and receives dividends or interest and other communications direct, and can only transfer his stock or shares by means of a deed of transfer, whereas bearer securities are transferable by the mere passing from hand to hand, and dividend or interest is paid to anyone presenting the due coupons detached from the bearer bond or warrant.

SECURITY.—Something which is given or handed over by a debtor to a creditor in order to secure the repayment of money lent. The object of the security is to give a certain right or interest to the creditor, whereby he is able to recover the amount of the debt which is owed more easily than by an action at law if the debtor is in default. In the case of banking transactions, where a banker advances money to a customer, the customer generally deposits security in the form of documents which are described in the previous article (See SECURITIES). But in other cases where the debtor cannot or does not wish to divest himself of his property completely, the security takes the form of a bill of sale (*q.v.*) or a mortgage (*q.v.*). Sometimes a guarantee (*q.v.*) on the part of a reliable person is accepted as a security. In every case the value of the security given should be greater than the amount of the money lent.

A person who takes a security is in the position of a secured creditor (*q.v.*), and if the debtor afterwards becomes bankrupt he may be in such a position that he cannot sustain any loss. But if the bankruptcy occurs very shortly after the giving of the security, the transaction may be objected to as a fraudulent preference (*q.v.*). Thus, by section 41 of the Bankruptcy Act, 1914—

"(1) Every conveyance or transfer of property, or charge thereon made, every payment made, every obligation incurred, and every judicial proceeding taken or suffered by any person unable to pay his debts as they become due from his own money in favour of any creditor, or any person in trust for any creditor, with a view of giving such creditor a preference over the other creditors shall, if the person making, taking, paying, or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making, taking, paying or suffering the same, be deemed fraudulent and void as against the trustee in the bankruptcy.

"(2) This section shall not affect the rights of any person making title in good faith and for valuable consideration through or under a creditor of the bankrupt."

Another ground on which a security may be objected to is where "undue influence" has been exercised, as might occur in the case of a father, or mother, unduly pressing a son or a daughter, who has just come of age and has succeeded to an estate, to give a security to a person for a loan.

A distinction is to be noticed between a security given upon property and one which is given upon the guarantee of another person. The latter is known as a "personal security," and it simply indicates the right of the creditor to sue for the recovery of a sum of money which the guarantor

Cash Book.

Dr.

Cr.

Date.	Particulars.	Dis.	Cash.	Bank	Sales Ledger No. 1.				Sales Ledger No. 2.				Date	Particulars.	Dis.	Cash.	Bank.	Purchases Ledger A.				Purchases Ledger B.					
					£	s	d.	£	s	d.	£	s						d.	£	s	d.	£	s	d.	£	s	d.	£	s	d.
Jan. 1	To Jones & Co		1 10 0	28	10	0		30	0	0		Jan. 4	By Smith & Co		2 10 0						97	10	0		100	0	0
"	" Swifts, Ltd		4 10 0									"	" Wages		25	0	0										
												"	" Brown & C		1 6 1	8	6						1 10	0	0		

is undertaken to pay. A bond (*qv*) is the most common form of a personal security.

SEIGNIORAGE OR SEIGNORAGE.—This is the charge or deduction made by the Government to cover the cost of the manufacture of coins. There is no profit made upon the gold coinage. Gold is purchased at £3 17s 9d per ounce, and the difference between this sum and the market price of gold, viz., £3 17s 10½d., represents the interest lost between the time of the taking in of the gold and its actual coinage.

SEISIN.—This word signifies the actual occupation or possession of a landed estate. (See **LIVERY** and **SEISIN**).

By the Stamp Act, 1891, the stamp duties are—
£ s. d.

SEISIN. Instrument of seisin given upon any charter, precept of clare constat, or precept from chancery, or upon any writ, heritable bond, disposition, apprising, adjudication, or otherwise of any lands or heritable subjects in Scotland. 0 5 0

And any Notarial Instrument to be expedited and recorded in any register of sasines 0 5 0

SEISED OF.—Put in possession of.

SEIZURE NOTES.—These are notes which are issued when smuggled goods, which are liable to duty, or goods bearing fraudulent trade marks, are seized by the customs. The notes are filled in by the officer who actually seizes the goods, and they are left along with the goods seized in a government warehouse, where the goods or the packages containing them are marked for identification.

SELF-BALANCING LEDGERS.—These are ledgers which, by the means of a system of readily obtaining certain totals necessary for the purpose, may be balanced by themselves, or, in other words, contain a trial balance in themselves. The term "self-balancing ledger" is not strictly accurate, but it is used as being less cumbersome than that of "a ledger separately balanced by means of an aggregate account."

Amongst the advantages of adopting a system of self-balancing ledgers no doubt the greatest is the fact of being able to localise errors to any one ledger, thus saving a vast amount of time, as the trial balance would not be prepared until each ledger had been proved to be correct in itself. Other advantages are:—the affording of a good system of internal check, the amount of outstanding balances may be ascertained at any desired time without the trouble and time involved in preparing a detailed schedule of the same (which may be prepared later), and, following this, the more ready preparation of final accounts.

The ledgers are rendered self-balancing by means of adjustment accounts. Thus, in each trade ledger there is a nominal ledger adjustment account, whilst in the nominal ledger there is an adjustment account for each trade ledger. To these adjustment accounts in the trade ledgers are posted contra entries for each item appearing in the particular ledger, but these items are, of course, not posted singly, but in totals. To obtain these totals the books of first entry are so arranged that they can be easily ascertained, and this is done by having separate books working to certain ledgers, or, when separate books are not used, by collecting the items posted to each ledger by extension into columns specially headed with the respective ledgers.

Thus, the cash book would be ruled somewhat as above.

For the collection of "foreign items" in a ledger, such as transfers from other ledgers, etc., a transfer journal is used.

By means of the totals so entered up, if the original outstanding total of balances in the ledger is taken into account, it is a simple matter also to obtain the final total balances, with which amount the total of the detailed list extracted from the several ledger accounts must agree. It should be noted that in, for instance, a sales ledger, the initial balance of the adjustment account is placed on the credit side, thus completing the trial balance of the book.

In the nominal ledger, however, the balance of the "sales ledger adjustment account" will appear on the debit side, being the total of sundry debtors, and the account be exactly opposite to the one in the trade ledger, *i.e.*, the items posted to the debit side of the adjustment account in the trade ledger would be entered on the credit side in the adjustment account in the nominal ledger, and vice versa.

For example, see next page.

SELLERS OVER.—This is a term sometimes met with in Stock Exchange or other similar transactions which means that there are sellers and no buyers, or that there are more sellers than buyers.

SELLING AGENTS.—(See **EXPORT TRADE**, **ORGANISATION OF**.)

SELLING COSTS.—(See **COSTING**.)

SELLING OUT.—This is precisely the opposite operation to the process of buying in, described under that heading. In the case of buying in, a purchaser who has not had delivery of the stock he has bought within the time limits fixed by the Stock Exchange Committee is entitled to give an order through his broker to the Buying-in and Selling-out Department of the Stock Exchange to buy it on the market, the expenses and any loss resulting therefrom having to be borne by the party who

Sales Ledger Adjustment a/c.					Cr.				
Dr.									
		£	s.	d.			£	s.	d.
Jan. 1	To Balance (being total debtors at this date)	7,542	8	9	Jan 31	By Cash & Dis- count (from Cash Book)	15,388	0	0
" 31	„ Sales (from Day Books)	20,658	0	0	" "	„ Returns and Allow- ances (from Sales Returns Book)	842	0	0
" "	„ Bills Dishonoured (from Bills Receiv- able Book)	149	0	0	" "	„ Bad Debts (as per Bad Debts a/c)	87	6	8
" "	„ Interest (from Interest a/c)	12	0	0	" "	„ Bills Receivable (from Bills Receiv- able Book)	2,100	0	0
" "	„ Transfers (as per Transfer Journal)	157	0	0	" "	„ Transfers (as per Transfer Journal)	42	0	0
					" "	„ Balance c/d (being total Debtors at date)	10,059	2	1
		£ 28,518	8	9			£ 28,518	8	9
Feb 1	To Balance	10,059	2	1					

has failed to make delivery. In the case of selling out, the broker of any individual who has sold registered shares and has not been furnished with the name of a transferee by 3 o'clock on ticket day (or name day, as it is alternatively called), the second day of the settlement, is entitled to sell the shares by auction for cash through the official broker, the costs and any loss arising through this operation having to be borne by the party at fault.

SELTZER WATER.—Strictly speaking, this term should only be applied to the natural mineral water obtained from the springs at Nieder-Selters, in Nassau. It generally includes, however, the artificial water containing the same ingredients, of which the chief are bicarbonate of soda, common salt, and carbonic acid gas. Seltzer water is of some medicinal value, and is a popular table beverage in all parts of the world. A very large export trade is done in this article.

SEMOLINA.—A highly nutritious farinaceous food, used for making puddings and thickening soups. It consists of grains of hard wheat, which remain unground in the process of milling, and owes its nutritive properties to the greater proportion of gluten present in hard, as compared with soft, wheats. Italy is the chief exporting country.

SEN.—(See FOREIGN MONEY—JAPAN.)

SENEGA ROOT.—The dried, woody root of a small plant of North America, the *Polygala Senega*. It is used as an antidote for snake-bites, and is hence known also as the snake root. In Britain it is employed medicinally as a remedy for bronchitis.

SENNA.—The well-known purgative imported in large quantities from Alexandria, and administered as an infusion, a syrup, a tincture, or with liquorice in the form of a powder. It consists of the dried leaflets of the *Cassia acutifolia* and other species of *Cassia*. In taste it is mucilaginous and somewhat sweet.

SEPIA.—The Greek word for cuttle fish, used commercially for the valuable brown pigment obtained from the ink-bag of this fish. It is much used in the arts, both in the preparation of plans,

drawings, etc., and as a water colour. The supplies are imported from the Mediterranean.

SEQUESTRATION.—This word is used in various senses. First, it denotes the placing of the possession of any property as to which there is a dispute in the hands of a third person until the time that such dispute is settled. Secondly, it signifies the holding of the property of another until such time as certain demands and profits are satisfied out of it. And thirdly, it is applied to the act of taking possession of the estate of a bankrupt in order to distribute the proceeds of the same amongst his creditors. In the last-named sense it is mainly applicable to Scotch law, and this is fully discussed in the succeeding article.

SEQUESTRATION (IN SCOTCH LAW).—The aim of sequestration, in Scotch law, is to distribute a bankrupt's estate among his creditors according to their preferences, and to afford him a discharge of his liabilities, in circumstances very similar to those which entitle an English bankrupt to his discharge.

Anyone may have his estate sequestrated, *e.g.* a married woman, an *incapax* (*i.e.*, a person who cannot act in his or her own right), a peer, a member of Parliament, a firm, a corporation (other than a railway or a joint stock company), and a foreigner subject to the jurisdiction. Forty days' residence in Scotland, although for the purpose of going through the Scotch court, is sufficient to found jurisdiction; but the order for sequestration may be recalled within three months, if the court is of opinion that the bankruptcy proceedings should go on in England or Ireland.

The application for sequestration may be made either in the Bill-Chambers or in the Sheriff Court. It may be made by the debtor himself (not necessarily insolvent) with the concurrence of certain creditors; or by a deceased debtor's mandatary at any time; or by creditors holding claims of certain minimum amounts. The petition may be against the estate of a deceased debtor who was at his death subject to the jurisdiction. A creditor's

petition, in the former case, must be presented within four months of notour bankruptcy being constituted. A creditor's debt may be liquidated or unliquidated, and it may include interest and ascertained expenses. If necessary, a creditor may have to verify his debt on oath, and he must mention any securities which he holds.

On a debtor's petition, or the petition of the successor of a debtor, sequestration is awarded forthwith. In the case of a creditor's petition, if no cause is shown and the debts are not paid, the sequestration must be ordered, the judge having no discretion to refuse it. A judicial factor may be appointed for the *interim* protection of the estate. An award of sequestration is not the subject of review, but it may be recalled (*i.e.*, annulled) within forty days, or if the debtor is dead and his successor is absent, down to the day of the advertisement of the last dividend, for any reason which might have been advanced to prevent its being granted. Again, there may be a recall if nine-tenths in number and value of the creditors apply for it. It may also be ended by a deed of arrangement, agreed to by a majority of the creditors, and four-fifths in value present or represented at a meeting.

The court having power to award sequestration is the Lord Ordinary or the Sheriff of the county. All the subsequent proceedings take place in the Sheriff Court. Scottish and British courts sitting elsewhere and each other in bankruptcy proceedings. Commissioners, who exercise functions similar to those of the English Committee of Inspection (*q.v.*) may be appointed by the creditors. The mandatary (*i.e.*, proxy) of a creditor may vote in his place. The various stages of the processes in sequestration are published in the *Edinburgh Gazette*.

The effect of sequestration is that the estate, which then, or down to the date of the debtor's discharge, belonged or would have belonged to the debtor, belongs to his creditors for the purposes of the Scottish Bankruptcy Act. The transfer of property, however, has the effect of leaving for the bankrupt all that may survive the winding-up. Everything capable of being legally alienated becomes transferred, except the necessary clothing of the bankrupt and his family. Acts and payments by the bankrupt after sequestration and before discharge are null and void, subject to certain exceptions in favour of *bona fide* purchasers, creditors paying debts, and the holders of certain securities.

A trustee is appointed by the creditors who make claims. A claiming creditor, if he has a security, can only vote in respect of the balance remaining after the security is deducted from the debt. Discount is taken off future debts, and debts subjected to it by usage of trade.

No bankrupt, nor anyone disqualified by statute, can act as the trustee of the bankrupt estate. Again, a person hostile to the bankrupt cannot be a trustee. The trustee must find caution for all his intromissions. The function of the trustee is to manage, realise, and recover the estate, lodge the money in bank, and keep a *sequestrant* book and regular accounts. The bankrupt must at the first meeting of creditors put in a "state" of affairs and give all necessary assistance to the trustee. Shortly after the Act and warrant, he or his partners must attend for examination on pain of apprehension. His wife, family, clerks, etc., may also be compelled to attend for examination.

The estate is realised by the trustee as soon as possible, subject to the directions of the creditors. If there is delay, the bankrupt may—but only if he so desires—assist in the management; but he must aid in recovery of assets. There is power in the trustee to make any compromise. If the estate or any part of it is sold, the trustee may not, but any creditor may, purchase. Generally speaking, the sale should be by public *roup* (*i.e.*, auction).

The rights of a bankrupt under a sequestration are that he may apply for an award and for a recall, he may offer a composition; he may obtain an allowance from the estate. His status in family and non official life is unchanged. Though not entitled to be put on the list of voters, he may vote if his name be there already. He cannot sit or vote in the House of Lords, or be elected as a representative peer. If he is a parliamentary candidate or a Member of Parliament he cannot be elected, nor can he sit or vote, and his seat is vacated if the disqualification lasts for six months. While he may not generally bring actions relating to the estate, he may bring and prosecute any action which is of a purely personal nature, *e.g.*, an action for damages for personal injury.

At the first creditors' meeting, the debtor may offer so much in the *£*, and this offer may be accepted at a subsequent general meeting of the creditors by a majority in number and nine-tenths in value of the creditors. Subject to the approval of the court, the bankrupt may in that case be discharged and re-invested in his estate under reservation of claim for the composition.

Discharge is conditional on there being no irregularity or fraud, and also, by statute, on 5s. in the *£* being paid or secured, or on proof that failure to pay so much has arisen from circumstances for which the bankrupt cannot be justly held responsible.

Discharge after payment of dividend may be craved at any time after the second meeting of creditors, if they all concur, and thereafter, on the concurrence of a continually dwindling majority until two years after the award, when the concurrence of the creditors is unnecessary. The approval of the court must be obtained, and the conditions of discharge are as set out above, but, in addition, the relief of discharge may be refused if the bankrupt has concealed any part of his effects, or has wilfully failed to comply with any of the provisions of the principal Act. Collusion is in all cases penal, both to the bankrupt and to the creditor who is in collusion.

There is no re-investiture of property after discharge; and, if necessary, the sequestration will be revived, in order to procure the distribution of windfalls, even after a long period of time, and even though both bankrupt and trustee have been discharged.

SEQUESTRATOR.—The person to whom property is entrusted under a sequestration.

SERBIA. *Position, Area and Population.* What was before the European War known as the Kingdom of Servia, or Serbia, is now included in the Kingdom of Serbs, Croats, and Slovenes, or Jugo-Slavia (see JUGO-SLAVIA). This new kingdom is situated in the north of the Balkan peninsula, and includes Bosnia-Herzegovina, Montenegro, Croatia, Dalmatia, and parts of Styria, Carinthia, and Carniola. The total area is about 35,000 square miles, and the population is estimated at 5,000,000.

What was Serbia itself had an area of 18,750 square miles, with a population of about 3,000,000.

The following information refers in the main to the condition of Serbia before the European War. It is not possible at present to foresee exactly what position this country will occupy in the commercial world of the future.

Build. Serbia is a mountainous country, four-fifths of the surface being occupied by mountains having the low average height of 1,500 ft. Others of the Carpathians, the Dinaric Alps, and the Balkan and Rhodope Mountains meet in Serbia. The lowlands of the country include the central valley of the Morava, and the strips bordering the Danube, Save, and Drina. Of the rivers, the Danube and the Save are of great importance to navigation, and the Drina to a smaller extent.

Climate. Though lying in the same latitude as the central part of peninsular Italy, Serbia does not possess a Mediterranean climate, but rather a temperate, continental climate of cold winters and hot summers. The average annual rainfall is about 27 in., and the average annual temperature 52.5° F.

Productions and Industries. *Agriculture* is one of the mainstays of the people, and has been so from ancient times, yet farming is still carried on by primitive methods. Almost every peasant cultivates his own freehold. Maize is the chief cereal, and constitutes the principal food of the people. Wheat is mainly grown on the fertile plains, and barley, oats, flax, hemp, tobacco, and beetroot are also raised. Fruits grow well in the mountainous districts. The plum is of special importance, Serbia being noted for its prunes and plum marmalade. Other fruits include the apple, pear, and peach. The grape ripens in the sheltered valleys.

The Pastoral Industry. Serbia possesses advantages for the pastoral industry in its climate and soil. Large numbers of cattle, sheep, pigs, goats, and horses are reared. Numerous pigs feed in the beech and oak forests of the west and south-west; and cattle, reared for draught purposes, field labour, or for export, are found all over the country. Dairying, though favoured by natural conditions, is little developed.

Forestry. Much of the country is forested. Beeches, oaks, and conifers predominate, but nearly all the varieties of trees found in Central Europe flourish. The industry is in a backward state owing to scarcity of labour, lack of transport facilities, and poor saw mills. Oak staves are exported to Austria and France, but Serbia imports far more timber than she exports.

The Mining Industry. The mineral resources are great, but little use is made of them owing to lack of capital and the need of transport facilities. Mining is carried on to a slight extent for gold, copper, lead, zinc, antimony, and silver.

The Manufacturing Industries. Manufactures exist in a primitive form (mainly domestic). Before the country can gain even a minor position in manufacturing, attention must be given to the better education of the people. At present, the chief manufacturing industries are flour-milling, brewing, and distilling, weaving, tanning, and boot-making.

Communications. Roads are poor, and railways little developed. The Morava Valley railway is the great trade route; it connects Belgrade, Nish, and Viana, and has a few branches. Nish is an important junction, lines proceeding from it (1) through Sofia to Varna and Constantinople, and

(2) to Salonika. Trade gravitates chiefly towards the west. Belgrade is the chief emporium, largely owing to its position on the Danube, and its excellent railway connections.

Commerce. The chief exports are cereals, fruits, cattle, and meat products. Textiles are the chief imports, followed by metals, machinery, and colonial produce.

Trade Centres. Serbia, being essentially an agricultural country, has few towns.

Belgrade (91,000), the capital and chief trade centre, stands at the junction of the Danube and the Save. It is a river port and railway centre.

Nish (25,000) is an important railway junction and trade centre.

Mails are despatched from Great Britain twice a day to Serbia. Belgrade is 1,175 miles distant from London, and the time of transit is just over 2 days.

For map, see JUGO SLAVIA.

SERGE.—A useful and durable twilled fabric made of worsted. There are numerous grades, usually dyed dark blue or black. Serge is in great demand both for men's suits and for ladies' costumes.

SERVANT.—(See MASTER AND SERVANT.)

SESAME.—A tropical plant of the genus *Sesamum*. From its seeds a sweet, yellowish oil, known as gingi or gingelly oil, is obtained, which is much used as a substitute for olive oil and in perfumery. It is imported into Europe from Southern Asia.

SESSION, COURT OF. (See COURT OF SESSION.)

SET OF BILLS.—(See FOREIGN BILL.)

SET-OFF.—This is a species of defence which is sometimes set up in reply to a claim put forward by a plaintiff in an action. Thus, any defence of payment or something equivalent to payment may be alleged by a defendant in an action to a money claim of the plaintiff, and if this defence is proved the claim of the plaintiff is thereby diminished. For example, if a plaintiff claims £500 and the defendant asserts that £300 of this £500 has been paid, this defence to the extent of £300 is a set-off. Also if there have been mutual dealings between the parties, the amount of indebtedness on one side can always be set off against the indebtedness on the other side. The set-off must always have reference to the claim, and in this respect it differs entirely from a counterclaim (*qv*). A set-off must always be specially pleaded, or, if there are no pleadings, notice of it must be given to the opposite side.

In case of bankruptcy, when there have been mutual credits, mutual debts, or other mutual dealings between the debtor and any person proving in the bankruptcy, an account is taken of what is due from the one party to the other in respect of such mutual dealings, and the sum due from the one party is set-off against the sum due from the other party, and the balance of the account is what may be claimed or must be paid on either side respectively. But a person is not entitled to claim the benefit of any set-off against the property of a debtor in any case when he had, at the time of giving credit to the debtor, notice of an act of bankruptcy (*qv*) committed by the debtor, and available against him. (Bankruptcy Act, 1914, section 31.)

SETTLED LAND ACTS.—These are a series of Acts, dating from 1882 to 1890, which have given special facilities to the tenants for life, or other limited holders, to deal with settled estates under

certain special conditions, and have tended to free estates from some of the limitations which were formerly imposed upon the holders of the same. The main object of the Acts has been to place the tenant in possession in a position as nearly as possible equal to that of a tenant in fee simple, so far as dealing with the land is concerned, whilst at the same time every care has been taken to see that the proceeds arising out of such dealings are carefully preserved and utilised for the benefit of those persons who are to succeed as beneficiaries of the settled estates in the future. The details of these Acts are of too complicated a character to be discussed except in works specially devoted to the subject.

SETTLEMENT.—The payment of an account or claim, or the ending of a dispute or series of disputes by concession or otherwise.

Another meaning of the word is the limitation of rights in property, real or personal, by which the enjoyment of the same is conferred upon several people in succession, instead of allowing the whole to be at the absolute disposal of the first beneficiary with the chance of its being dissipated. The whole subject is dealt with under the heading of **SETTLEMENTS**.

SETTLEMENT ESTATE DUTY.—By the Finance Act, 1894, where property in respect of which estate duty is leviable is settled by the will of the deceased, or, having been settled by some other disposition since 1894, passes under that disposition on the death of the deceased to some person not competent to dispose of the property, a further estate duty (called settlement estate duty) on the principal value of the settled property was levied at the rate of 1 per cent., except where the only life interest in the property after the death of the deceased was that of a wife or husband of the deceased, by the Finance Act, 1910, the rate was increased to 2 per cent. The duty was repealed by the Finance Act, 1911.

SETTLEMENT, PAUPER.—This has been defined as "a permanent indestructible right to take the benefit of the poor laws of a particular parish." For the purpose of providing relief for the poor, the country is divided into districts or unions, and each district or union is responsible for its own paupers. And just as a person cannot be without a domicile (*q.v.*) for the purpose of settling all matters connected with his possessions, so no person can be without a settlement, in order that the responsibility for his support in case of indigence may be fixed in the proper quarter. Although, as stated above, a settlement cannot be forfeited, it may be extinguished by the acquisition of a new settlement.

Generally speaking, a settlement is acquired by birth, and this settlement is that of the particular district or union in which the pauper is born. A new settlement, however, is gained in various ways, especially by change of residence. If a person who is *sui juris* (*q.v.*) resides in a new parish continuously for three years, that parish becomes his settlement. A new settlement may also be acquired after a year's residence, if the person acquiring the settlement has rented or occupied a house at a rent of not less than £10, or has paid rates, or has owned an estate in the parish. An apprentice who has resided in a parish may acquire a new settlement after living in it for a period of forty days. A legitimate child under sixteen years of age has the same settlement as its father, or as

its mother, if the mother is a widow. An illegitimate child up to the age of sixteen has the same settlement as its mother. After the age of sixteen has been attained, a settlement can be gained by a person on his or her own account. As in the case of domicile, a married woman who is not separated from her husband has the same settlement as her husband.

The question of settlement becomes important when the charge on any particular parish happens to be heavy. It is well known that the conditions under which relief is distributed differ in different parishes, and unless there was some restriction placed upon the matter a parish might easily become overburdened with paupers from other districts. There is, therefore, a power conferred upon poor law guardians to obtain an order from the justices for the purpose of removing paupers to their proper settlement. But this right of removal cannot be exercised if the pauper has been allowed to remain in the parish for a year before an order for removal is applied for. There are numerous exceptions to this general rule. Thus, a sick pauper cannot be removed from the parish in which he actually is unless his sickness is permanent. A foreigner may or may not have a settlement. If he becomes chargeable to the parish no order can be made for his removal unless he has acquired a settlement as above stated.

Appeals as to the removal of paupers to their settlements may be made either to quarter sessions or, if the guardians prefer it, to the Ministry of Health.

SETTLEMENTS.—Property is said to be settled when it is so disposed of by some deed or other instrument, that a number of persons are entitled to enjoy the rents or the interest arising from the property, but are unable to deal with the *corpus* except in so far as they are allowed to do so by the express terms of the document creating the trust. Thus, A desires to benefit a number of persons, but he is anxious that the property which he desires to set aside for this purpose shall not be dissipated, and that the capital shall go to some person or persons in the future who may eventually enjoy it on their own account. It must be recollected that property cannot be tied up for ever, as the law is opposed to a perpetuity (*q.v.*), but it always permits the capital to be kept intact during the life or lives of persons who are actually in existence, and for twenty-one years afterwards. Now suppose A wishes to dispose of £20,000 in this manner, and desires to benefit B, C, and D, persons who are in existence. He appoints two or more trustees who are put in possession of the fund, and then sets out in the settlement the terms upon which B, C, and D are to be provided for out of the interest arising from the investment of the £20,000, either together or in succession, always taking care that on the death of the survivor some further provision is made, unless it is his intention that the money shall eventually revert to himself or to his representatives. As to the manner in which the money is to be invested, see **TRUSTEE INVESTMENTS**.

Property may be settled either by deed or by will. The settlements which are made by deed are generally concerned with the tying up of real property, so as to keep great landed estates in a family, or with making provision for the parties to a marriage and for the issue of the marriage. Thus, suppose there is an entailed estate, and A is the first tenant in tail. When he has arrived at

[FACSIMILE OF VOLUNTARY SETTLEMENT.]

THIS INDENTURE made the 14th day of November 19.. between James Smith of Hill House Stanton in the County of Whiteshire gentleman (hereinafter called the settlor) of the one part and Joseph Brown of Blank Hall Stanton aforesaid banker and Thomas Jones of Greenfield Stanton aforesaid solicitor (hereinafter called the trustees) of the other part.

WHEREAS the said James Smith has transferred into the joint names of the said Joseph Brown and Thomas Jones the sum of £20,000 £2 10s. per cent. Consolidated Stock to the intent that the same shall be held upon the trusts and with and subject to the powers and provisions hereinafter declared and expressed

AND to the intent that the settlement hereby made shall be irrevocable

NOW THIS INDENTURE WITNESSETH that in consideration of the natural love and affection of the said James Smith for his son Alfred Smith and for divers other good causes and considerations the same James Smith doth hereby declare that the said Joseph Brown and the said Thomas Jones and the survivor of them and the executors or administrators of such survivor or other the trustees or trustee for the time being of these presents (hereinafter called the said trustees or trustee) shall either permit the said sum of £20,000 £2 10s. per cent. Consolidated Stock to remain in its actual state of investment or with the consent of the said James Smith during his life and after his death with the consent of the said Alfred Smith if he shall be living and shall have attained the age of twenty-one years and at all other times at the discretion of the said trustees or trustee sell the same or any part or parts thereof and invest the proceeds of such sale in the names or name of the said trustees or trustee in or upon any stocks funds or securities in or upon which trust funds or cash under the control or subject to the order of the Court may for the time being be authorised by law to be invested .

AND SHALL pay the income of the said sum of £20,000 £2 10s. Consolidated Stock and the investments from time to time representing the same to the said James Smith during his life

AND AFTER his death in case the said Alfred Smith shall be under the age of twenty-one years the said trustees or trustee shall during his minority apply the whole or such part as they or he shall think fit of the income of the said trust premises for or towards the maintenance or education of the said Alfred Smith and may either themselves or himself so apply the same or

may pay the same to the guardian or guardians of the said Alfred Smith without seeing to the application thereof

AND SHALL during such period as last aforesaid accumulate the residue (if any) of the same income in the way of compound interest by investing the same and the resulting income thereof in or upon any such investments as are hereinbefore authorised

AND SHALL stand possessed of such accumulations and of the investments thereof and the income thereof upon the same trusts and with and subject to the same powers and provisions as are hereinafter declared and expressed concerning the original trust fund and the income thereof

AND AFTER the death of the said James Smith and the majority of the said Alfred Smith the said trustees or trustee shall pay the income of the said trust premises to the said Alfred Smith and his assigns during his life

AND AFTER the death of the said Alfred Smith shall stand possessed of the same trust premises and the income thereof

IN TRUST for all or such one or more exclusively of the others or other of the children or remoter issue of the said Alfred Smith (such remoter issue to be born and take vested interests within twenty-one years from the death of the said Alfred Smith) at such age or time or respective ages or times if more than one in such shares and with such executory and other trusts for their respective benefit and such provisions for their respective advancement and maintenance and education as the said Alfred Smith shall by any deed or deeds or by any will or codicil appoint

AND IN DEFAULT of and subject to any appointment under the power hereinbefore contained in trust for all or any of the children or child of the said Alfred Smith who being a son or sons shall attain the age of twenty-one years or being a daughter or daughters shall attain that age or marry and if more than one in equal shares

PROVIDED ALWAYS that no child who (or whose issue) shall take any part of the said trust premises under any appointment by virtue of the power or powers hereinbefore contained shall in default of appointment to the contrary be entitled to any share of the unappointed part thereof without bringing the share or shares appointed to him or to her (or to his or to her issue) into hotchpot and accounting for the same accordingly

PROVIDED ALWAYS and it is hereby agreed that it shall be lawful for the said trustees or trustee at any time or times after the death of the said Alfred Smith or in his lifetime with

his consent in writing to raise any part or parts not exceeding in the whole one half of the then expectant or presumptive or vested share of any child of the said Alfred Smith in the said trust premises under the trusts hereinbefore contained and to pay or to apply the same for his or her benefit in such manner as the said trustees or trustee shall think fit

AND IT IS HEREBY AGREED that the said trustees or trustee shall after the death of the said Alfred Smith apply the whole or such part as they or he in their or his discretion shall think fit of the income of the shares in the said trust premises to which any child shall for the time being be entitled in expectancy under the trusts hereinbefore declared for or towards his or her maintenance education or benefit and may either themselves or himself so apply the same or may pay the same to the guardian or guardians of such child for the purpose aforesaid without seeing to the application thereof

AND SHALL during such suspense of absolute vesting as aforesaid accumulate the surplus (if any) of the same income at compound interest by investing the same and the resulting income thereof in any of the investments hereinbefore authorised for the benefit of the person or persons who shall eventually become entitled to the principal fund from which the same shall have proceeded and may apply the accumulation of any preceding year or years in or towards the maintenance or education of the child for the time being presumptively entitled thereto in the same manner as such accumulations might have been applied had they been income arising from the original trust fund in the then current year

PROVIDED ALWAYS and it is hereby agreed that notwithstanding anything hereinbefore contained it shall be lawful for the said Alfred Smith by any deed or will or codicil to appoint unto or for the benefit of any wife who may survive him an interest for the life of such wife or any less interest in the said trust funds hereby settled to commence from the decease of the said Alfred Smith and subject to such conditions and restrictions as he may think fit and that in the event of any such appointment being made the interest in the said trust premises which shall be so appointed unto or for the benefit of such surviving wife shall take effect in precedence of and in priority over the trusts and provisions hereinbefore declared and contained of and concerning the said trust premises after the decease of the said Alfred Smith

AND IT IS HEREBY AGREED that if there shall be no child of the said Alfred Smith who being a son shall attain the age of twenty-one years or who being a daughter shall attain that age or marry then subject to the trusts powers and provisions hereinbefore declared and contained and to any and every exercise

of such respective powers the said trustees or trustee shall stand possessed of the said trust premises and the income thereof in trust for the said James Smith his executors administrators and assigns

AND IT IS HEREBY AGREED AND DECLARED that the power of appointing new trustees of these presents shall be vested in the said James Smith and Alfred Smith during their joint lives and the survivor of them during his life

IN WITNESS whereof the parties to these presents have hereunto set their hands and seals the day and the year first above written

JAMES SMITH

L.S.

JOSEPH BROWN

L.S.

THOMAS JONES

L.S.

Witness to the
signatures of James
Smith Joseph Brown
and Thomas Jones

JOSEPH SIMPSON
Carlton House
Linford
Whiteshire
Surveyor

the age of twenty-one he can release the estate from the entail by means of a disentailing deed (see ENTAILED ESTATE), and the land will be freed from its fetter. But in practice it generally happens that there are prior interests to be considered and that the disentailment cannot take place without certain preliminaries being observed, and so, as a part of the bargain, the land upon being disentailed is immediately settled again, A becoming tenant for life, such tenancy being made beneficial to him as soon as any prior tenant for life dies, and a new estate tail is created, a fresh disentailment occurring whenever a tenant in tail becomes *sui juris* and therefore capable of making a fresh settlement. If it were not for this method of dealing with estates, any spendthrift tenant in fee simple might easily dissipate the family wealth in an incredibly short time. Of course in carrying out these settlements provision is made for all sorts of contingencies, and very frequently annuities are carved out for different members of the family. These are, however, too multitudinous to detail, and too complex to be treated of in any work not specially devoted to the subject.

The most common cases of settlements by way of deed are marriage settlements. These have been already treated of under a separate heading, and it is unnecessary to add anything further with respect to them, seeing how closely they are connected with the practical work of conveyancing.

Settlements made by will contain a great variety of provisions for the purpose of giving effect to the peculiar wishes of the testator. They may be, and very frequently are, as complicated as a deed, and this arises from the fact that a testator may be continually changing his mind as to his contemplated benefits. And herein may be noticed a great difference between a settlement by deed and a settlement under a will. When once the deed is executed it is irrevocable in its effect, except in so far as it contains a revocatory clause, whereas a will only speaks from the death of the testator and its contents may be altered from time to time, so long as the will is in the long run duly executed.

The capacity to execute a settlement is the same as the capacity to contract. Any person of full age and sane can be the settlor. But when it is the case of a marriage settlement, an infant may, with the approbation of the court, make a binding settlement of both real and personal property, though the male infant must not be under twenty nor the female infant under seventeen years of age. This is provided for by the Infants Settlement Act, 1855.

It will be quite obvious that unless there was some restraint placed by the law upon the power of making settlements, a debtor might easily pose as a person of the most generous disposition and at the same time defraud his creditors in the most open fashion. It must be recollected that a deed does not require a consideration to support it, unless it is a contract made in restraint of trade. Therefore if a deed of settlement is made, there is no need of any consideration to support it, so far as the parties to the deed are concerned. Thus, if A settles £20,000 upon B, C, and D, in any way whatever, and inserts no power of revocation in the deed, A has lost all control of the £20,000 until the trusts are carried out in their entirety, and if there is no reversion to himself the money has passed away from him for ever. The settlement

is what is known as a voluntary settlement. But if A is heavily indebted he cannot dispose of his property in this fashion. His creditors have a right to be considered, and the laws concerning bankruptcy have taken care to provide that such a disposition shall not be made when insolvency is close at hand. But if a settlement is made for a valuable consideration, and marriage is a valuable consideration, the settlement is good unless a clear case of fraud is made out, as, *e.g.*, where the marriage is in reality a part of the fraudulent scheme. And again, if there has been a voluntary settlement of real estate, and a purchaser for value has acquired it, the settlement stands good, so far as the purchaser is concerned, even though bankruptcy proceedings are taken within a certain time against the settlor.

Section 42 of the Bankruptcy Act, 1914, deals with this matter. It runs as follows—

"(1) Any settlement of property not being a settlement made before and in consideration of marriage, or made in favour of a purchaser or incumbrancer in good faith and for valuable consideration, or a settlement made on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife, shall, if the settlor becomes bankrupt within two years after the date of the settlement, be void against the trustee in the bankruptcy, and shall, if the settlor becomes bankrupt at any subsequent time within ten years after the date of the settlement, be void against the trustee in the bankruptcy, unless the parties claiming under the settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement, and that the interest of the settlor in such property had passed to the trustee of such settlement on the execution thereof.

"(2) Any covenant or contract made by any person (hereinafter called the settlor) in consideration of his or her marriage either for the future payment of money for the benefit of the settlor's wife or husband or children, or for the future settlement on or for the settlor's wife or husband or children of property wherein the settlor had not at the date of the marriage any estate or interest, whether vested or contingent, in possession or remainder, and not being money or property in right of the settlor's wife or husband, shall if the settlor is adjudged bankrupt and the covenant or contract has not been executed at the date of the commencement of his bankruptcy be void against the trustee in the bankruptcy, except so far as it enables the persons entitled under the covenant or contract to claim for dividend in the settlor's bankruptcy under or in respect of the covenant or contract, but any such claim to dividend shall be postponed until all claims of the other creditors for valuable consideration in money or money's worth have been satisfied.

"(3) Any payment of money (not being payment of premiums on a policy of life assurance) or any transfer of property made by the settlor in pursuance of such a covenant or contract as aforesaid shall be void against the trustee in the settlor's bankruptcy unless the persons to whom the payment or transfer was made prove either—

"(a) that the payment or transfer was made more than two years before the date of the commencement of the bankruptcy; or

"(b) that at the date of the payment or

transfer the settlor was able to pay all his debts without the aid of the money so paid or the property so transferred, or

"(c) that the payment or transfer was made in pursuance of a covenant or contract to pay or transfer money or property expected to come to the settlor from or on the death of a particular person named in the covenant or contract and was made within three months after the money or property came into the possession or under the control of the settlors, but in the event of any such payment or transfer being declared void the persons to whom it was made shall be entitled to claim for dividend under or in respect of the covenant or contract in like manner as if it had not been executed at the commencement of the bankruptcy.

"(4) 'Settlement' shall for the purposes of this section include any conveyance or transfer of property."

Putting this concretely, the law may be summed up as follows. If a settlement is executed for valuable consideration, including marriage, nothing can upset it except fraud. If, on the other hand, it is voluntary, and this includes a post-nuptial settlement, it can be upset in any case if the settlor becomes bankrupt within two years of the date of the settlement, and within ten years of the date of the settlement unless the settlor can prove that he was able to pay all his debts at the time of the settlement without taking into consideration any of the property comprised therein.

The stamp duties on settlements are regulated by the Stamp Act, 1891.

SETTLEMENT. Any instrument whether voluntary or upon any good or valuable consideration, other than a *bona fide* pecuniary consideration, whereby any definite and certain principal sum of money (whether charged or chargeable on lands or other hereditaments or heritable subjects, or not, or to be laid out in the purchase of lands or other hereditaments or heritable subjects or not), or any definite and certain amount of stock, or any security, is settled or agreed to be settled in any manner whatsoever:

£ s d

For every 100, and also for any fractional part of 100, of the amount or value of the property settled or agreed to be settled 0 5 0

(Where any instrument is chargeable both as a conveyance operating as a voluntary disposition *inter vivos* under Section 74 of the Finance (1909-10) Act, 1910, and as a settlement, it shall be charged with duty as a conveyance in accordance with that Section. See CONVEYANCE.)

Exemption

Instrument of appointment relating to any property in favour of persons specially named or described as the objects of a power of appointment, where duty has been duly paid in respect of the same property upon the settlement creating the power or the grant of representation of any will or testamentary instrument creating the power.

As to Settlement of Policy or Security

"104—(1) Where any money which may become due or payable upon any policy of life insurance, or upon any security not being a marketable security, is settled or agreed to be settled, the instrument whereby the settlement is made or agreed to be

made is to be charged with *ad valorem* duty in respect of that money.

"(2) Provided as follows—

"(a) Where, in the case of a policy, no provision is made for keeping up the policy, the *ad valorem* duty is to be charged only on the value of the policy at the date of the instrument:

"(b) If in any such case the instrument contains a statement of the said value, and is stamped in accordance with the statement, it is, so far as regards the policy, to be deemed duly stamped, unless or until it is shown that the statement is untrue, and that the instrument is in fact insufficiently stamped.

Settlements when not to be Charged as Securities

"105. An instrument chargeable with *ad valorem* duty as a settlement in respect of any money, stock, or security is not to be charged with any further duty by reason of containing provision for the payment or transfer of the money, stock, or security, or by reason of containing, where the money, stock, or security is in reversion or is not paid or transferred upon the execution of the instrument, provision for the payment, by the person entitled in possession to the interest or dividends of the money, stock, or security, during the continuance of such possession, of any annuity or yearly sum not exceeding interest at the rate of four pounds per centum per annum upon the amount or value of the money, stock, or security.

Where several Instruments one only to be Charged with Ad Valorem Duty

"106—(1) Where several instruments are executed for effecting the settlement of the same property, and the *ad valorem* duty chargeable in respect of the settlement of the property exceeds ten shillings, one only of the instruments is to be charged with the *ad valorem* duty.

"(2) Where a settlement is made in pursuance of a previous agreement upon which *ad valorem* settlement duty exceeding ten shillings has been paid in respect of any property, the settlement is not to be charged with *ad valorem* duty in respect of the same property.

"(3) In each of the aforesaid cases the instruments not chargeable with *ad valorem* duty are to be charged with the duty of ten shillings."

SETTLING DAYS.—These are the days, upon which, according to the rules of the Stock Exchange (*qv*) the transactions for the accounts are arranged and settled.

In the case of most securities dealt in on the London Stock Exchange there are two settlements in each month, one about the middle of the month, and the other near the end of it, but for Consols there is only one settlement, viz, near the beginning of the month. When stock transactions are done "for the account" it means that payment must be made on the next settling day, dealings "for cash," however, or "for money," have to be completed by payment at once, irrespective of any regular settling day. During the war the usual fortnightly settlements were abolished, dealings being for cash only.

Each Stock Exchange settlement requires three days, the first is known as Contango day (or Continuation, or Carrying-over day, or Making-up day), the second is Name or Ticket day; the third Pay day, *i.e.*, settling day proper. For

mining securities there is an additional day, called "mining Contango" day.

Securities payable to bearer are handed over on the settling day. Ten days are allowed in which to complete the delivery of registered securities, but if not delivered within that time the stock or shares may be "bought in" through the official buying-in department, and the loss must be borne by the seller.

SEVERAL LIABILITY.—(See SEVERALLY.)

SEVERALLY.—When a body of persons are combined for a particular purpose, their liability depends upon several circumstances. If the liability is joint, the whole of the members must be sued together. If the liability is several, each of them is liable separately, and any one of them may be sued alone. (See JOINTLY, JOINTLY AND SEVERALLY.)

SEVILLE ORANGES.—(See ORANGES.)

SEYCHELLES (BRITISH).—A group of islands in the Indian Ocean, which were taken from the French towards the end of the eighteenth century, and formally ceded to Great Britain in 1814. They lie north-east of Madagascar, and east of Zanzibar. The total area is 150 square miles, and the population is about 25,000. They were dependent upon Mauritius until 1903, in which year they were created a separate Crown colony, and are administered by a Governor. The chief exports are vanilla, coconuts, and tortoise shell.

The chief town is Victoria, in the island of Mahé, and this is now a naval coaling station.

Mails are despatched via Marseilles twice a month. The time of transit is 18 days.

SHABRACK.—The saddle-cloth used by a cavalry soldier. The material employed is either cloth or short, curly sheep's wool.

SHADDOCK.—Also known as the grape-fruit, on account of its grape-like flavour. It is the large, yellow, juicy fruit of the *Citrus decumana*, a tree of the citron order. It is a native of the East Indies, but now grows also in the West Indies, where it was introduced by Captain Shaddock at the beginning of the nineteenth century. Hence the name. The tree is now cultivated in Southern Europe, but the chief supplies still come from the Malay peninsula and the East Indies. India sends a smaller variety, known as pomelo, which is also grown in Florida. The shaddock is eaten as a fresh fruit and as a preserve.

SHAGREEN.—A species of green, granular leather, used for covering various small articles, such as spectacle cases, small boxes, cigar cases, etc. It is prepared both from the skins of sharks, rays, and other fishes, and from the skins of horses and asses. In the latter case, the granular appearance is due to the pressure of seeds into the moist skins, while in the former case the nodules are natural. The green colour is obtained by dyeing with oxychloride of copper.

SHAHIS.—(See FOREIGN MONIES—PERSIA.)

SHAKE OUT.—This is a term met with on the Stock Exchange. The activities of "bull" speculators send prices up, but as weak "bulls" drop out there is a temporary reaction in the rising market. The term "shake out" is used to denote the dropping out of the "bulls" who discontinue their operations.

SHAKU.—(See FOREIGN WEIGHTS AND MEASURES—JAPAN.)

SHALE.—Argillaceous material with a stratiform structure. It consists of alumina and silica, and is

coloured by oxide of iron. Oil-shale is valuable for the production of paraffin (*qv*), and alum is obtained from certain shales of Northern England and Scotland, which contain sulphuret of iron.

SHAREBROKER.—(See STOCKBROKER.)

SHARE CAPITAL (SHARES).—The capital of a joint stock company is the total fund contributed by the members of the company for the purpose of carrying on the business of the concern. The capital is divided into certain parts called shares, and a share may be defined as the right which a member of the company has to a certain portion of the capital. For each share which he holds the member, or the shareholder, as he is called, is liable to pay up the whole or the nominal value of the share so long as any liability exists with regard to the same.

The memorandum of association of a company which is limited by shares must state the amount of the share capital with which it is proposed to register the company, and also the division of the capital into shares of a fixed amount. (See MEMORANDUM OF ASSOCIATION.)

Shares are known by various names, such as preference, guaranteed, ordinary, deferred, founders' shares, and other varieties. The rights of each class of share depend upon the provisions in the memorandum and articles of association, or in special resolutions of the company. The rights attaching to a certain class of shares in one company are not necessarily the same as those in another company.

If authorised by its articles, a company limited by shares may convert its paid-up shares into stock. This is the only way in which it can create stock. Shares are, practically, divisions of stock in fixed amounts, and a shareholder obtains so many of these divisions, but a stockholder may obtain any odd or irregular amount of the stock; for example, a share may be for £1, £5, £10, £20, £100, and such like amounts, whereas a holding of stock may be for £33 16s. 11d., or for any amount.

Before an official quotation on the London Stock Exchange can be obtained for stocks and shares, the certificates must conform to certain regulations of the committee. (See QUOTATION ON LONDON STOCK EXCHANGE.) In the case of a new company, before a special settlement for the bargains for sales and purchases of shares can be fixed, various documents and particulars must be sent to the Secretary of the Share and Loan Department. (See SPECIAL SETTLEMENT.)

If certificates of shares are deposited as security without any document of charge, it constitutes an equitable mortgage, and the mortgagee has the right to apply to the court in certain cases for power to sell, especially if the loan is not repaid according to the stipulation made at the time of the advance. In some cases a memorandum of deposit is taken at the time when the certificates are deposited, and notice of the deposit is frequently given to the company.

Certificates of shares are very commonly deposited with a banker as security for a loan or an overdraft. Frequently the banker takes also a blank transfer, i.e., a transfer with a place left vacant for the insertion of the transferee's name. If, then, default is made in repayment of the loan or in meeting the overdraft, the banker is entitled to fill up the blank space, and to register the shares either in his own name or in the name of a nominee or nominees. This is not always a satisfactory method

to adopt. The better plan appears to be for the banker to take a completed transfer of the shares and to have them registered at once.

When a transfer is taken it is usually accompanied by an agreement qualifying the transfer, and declaring that the transfer has been given merely as a security.

In taking shares as a security, a banker will note whether they are fully paid up, or only partly paid, though certificates do not always show how much is paid up per share. If there is a large liability it would be unwise to register in the bank's name, or the names of its nominees. If the completed transfer is held, without registration, the owner will remain liable for any calls that may be made, and so long as the banker holds the certificate and transfer he has a security which he can complete by registration when required, and if notice has been given to the company it would be difficult for anyone to get registered in front of him. The company, however, may have a lien upon its shares for any debt due from the shareholder to the company. (See LIEN.) In most cases a certificate must be surrendered before a transfer of the shares can be effected, but this is not an absolute protection to a banker, as it has been held that a foot-note upon a certificate to the effect that no transfer of the shares will be effected without production of the certificate does not constitute a contract and is not binding on the company. (See SHARE CERTIFICATE.)

The Companies (Consolidation) Act, 1908, provides as follows:—

"Section 22—(1) The share or other interest of any member in a company shall be personal value, transferable in manner provided by the articles of the company, and shall not be of the nature of real estate.

"(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

"23. A certificate, under the common seal of the company, specifying any shares or stock held by any member shall be *prima facie* evidence of the title of the member to the shares or stock.

Power of Company to Arrange for Different amounts being Paid on Shares.

"39. A Company, if so authorised by its articles, may do any one or more of the following things, namely:—

"(1) Make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;

"(2) Accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up;

"(3) Pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Power to Return Accumulated Profits in Reduction of Paid-up Share Capital.

"40—(1) When a company has accumulated a sum of undivided profits, which with the sanction of the shareholders may be distributed among the shareholders in the form of a dividend or bonus, it may, by special resolution, return the same, or any part thereof, to the shareholders in reduction of

the paid-up capital of the company, the unpaid capital being thereby increased by a similar amount.

Power of Company Limited by Shares to Alter its Share Capital.

"41—(1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

"(a) increase its share capital by the issue of new shares of such amount as it thinks expedient;

"(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

"(c) convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination;

"(d) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

"(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

"(2) The powers conferred by this Section with respect to subdivision of shares must be exercised by special resolution.

Re Organisation of Share Capital.

"45—(1) A company limited by shares may, by special resolution, confirmed by an order of the Court, modify the conditions contained in its memorandum so as to re-organise its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes;

"Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by a resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and confirmed at a meeting of shareholders of that class in the same manner as a special resolution of the company is required to be confirmed, and every resolution so passed shall bind all shareholders of the class.

"(2) Where an order is made under this section an office copy thereof shall be filed with the registrar of companies within seven days after the making of the order, or within such further time as the court may allow, and the resolution shall not take effect until such a copy has been so filed."

By means of a special resolution (*q.v.*), a limited company determines that any part of its share capital which has not been called up shall not be capable of being called up, except for the purposes of the company's being wound up.

In addition to the ordinary fees payable to the registrar of joint stock companies by a company having a share capital, there is a duty of £1 also payable on every £100 of the nominal share capital.

SHARE CERTIFICATES.—Every person holding shares in a company under the limited liability Acts is entitled to a certificate under the seal of the company, and signed by two directors and the secretary, or as required by the company's articles.

COUNTERFOIL

No. 959

Dated June 5, 19..

Name J. H. TANNER,
19 High Street,
Banbridge.

Shares 75

Nos. 1501 to 1575

Certificate sent to

Per Post

14th June, 19..

Register folio 159.

RECEIPT

No. 959

J. H. TANNER,

This receipt to be detached, filled in, and forwarded to the Secretary.

Received the 15th day of June, 19.. share certificate, as numbered herein for 75 preference shares.

PREFERENCE SHARE CERTIFICATE

No. 959

No. of
Shares 75

The South Blankshire Colliery Company, Limited

Incorporated under the Companies Acts, 1908 to 1917

CAPITAL - £400,000

DIVIDED INTO 25,000 5% CUMULATIVE PREFERENCE SHARES OF £1 EACH,
15,000 ORDINARY SHARES OF £10 EACH

This is to Certify that JAMES HENRY TANNER, of 19 High Street, Banbridge, is the registered holder of Seventy-five fully paid Preference Shares of one pound each, numbered 1501 to 1575 inclusive, subject to the rules and regulations of the Company.

GIVEN under the Common Seal of the Company
this fifth day of June, 19..



HORACE HUNT, } Directors.
MAURICE MAXWELL, }
BERNARD BROWN, Secretary.

No transfer for any of the within named shares will be accepted without the surrender of this Certificate.

The Companies (Consolidation) Act, 1908 (Sec. 92), contains a very important provision bearing on this subject—

"Every company shall, within two months after the allotment of any of its shares, debentures or debenture stock, and within two months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide."

This stipulation first appeared in the Companies Act of 1907 (now repealed and reproduced in the Act of 1908). Up to that time companies were left mainly to their own devices in this matter. It will be observed, however, that precautions are necessary to be taken when framing a prospectus or other document, constituting the particulars governing any particular offer for subscription, to include some announcement as allowed by the above-named Section to the effect that certificates will be ready at a specified time after completion of allotment. If this is done, then the provisions of the Section as regards preparing certificates after allotment will be entirely governed by the undertaking made by the terms of issue. As regards the preparation of certificates consequent upon the transfer of shares, to occupy two months, as allowed by the statute, would probably cause inconvenience to brokers and others concerned in such transactions, and it is unlikely that any company with an official quotation would allow the business in regard to share transfers, and the consequent issue of new certificates, to lapse to such an extent. The requirements of the Stock Exchange Committee lay down special stipulations in regard to this matter when granting facilities for official quotations. The committee will not admit securities to their official list until share certificates are ready for delivery.

In the majority of cases, and in more recent promotions, it has been found that some steps, such as outlined above, have been taken to announce preparation of certificates immediately upon the payment of a final call, but, of course, this is not possible where a portion of the capital is to be called up, leaving further calls to be levied at an indefinite date. In such an instance, provision is made upon the back of the certificates, which provides for information relative to the payment of further calls as demanded and when paid.

The articles of association usually provide for the issue of certificates to members, similar to that found under Clause 6 of Table A (*q.v.*), wherein every shareholder who has been entered on the register of members is entitled to a certificate issued under the common seal of the company, the certificate to specify the number of the share or shares held and the extent to which the shares have been paid up; the distinctive numbers of the shares are also given, and the certificate itself is represented by a serial number for the purpose of identity and as a means of checking against fraud. In the case of joint holdings, one certificate is issued, and the person whose name first appears as a member of that joint holding is the one to whom delivery should be made unless by specific request in writing any other member of the joint

holding has been appointed to act in respect of the shares for himself and the joint holders. Delivery to such a person would be deemed sufficient delivery to all.

If certificates are lost, destroyed, or in any way damaged, a fresh one may be obtained on the payment of a fee of one shilling, but most companies require a letter of indemnity (*q.v.*) to be given by those requiring a duplicate. A certificate is issued, in the first instance, free of charge.

When certificates are ready after the process of allotment and completion of calls, the usual practice is to send a notice to the shareholders to the effect that certificates can be obtained upon surrender of their receipts for allotment and for such calls as have been made. The notice usually contains an intimation to the effect that certificates may be obtained on the above conditions, either by personal application, or by an authorised agent, where the shareholder delegates some other person to effect the exchange of documents for him. Appended to the notice are two forms: the first of which represents the letter from the shareholder to the company, intimating the despatch of the necessary receipts for instalments, and requesting that the certificate be sent at the shareholder's risk, whilst the second notice constitutes a request from the shareholder to the company to hand the share certificates to a person named in the form, who is empowered to hand over the instalment receipts, the bearer of the letter being empowered to sign the company's receipt required upon the handing over of the share certificate.

It is important that company officials should strictly observe the generally accepted rule that receipts for share certificates should be signed only by the shareholders or by such persons as they may appoint, as above described.

Form of Certificates. The form of share certificate, whether issued for numbered shares, capital stock, or debenture stock, is usually drawn up similar to the form shown as an inset. It is most important, however, that distinctive colours should be used for the various classes of share capital, in order that the preference or ordinary share certificates may be readily identified. This, of course, also applies to any certificates issued for debenture stock. It will be observed that the whole of the material information given in the body of the certificate itself is also required to be reproduced on the counterfoil, which contains additional information as to despatch and a reference to the shareholder's account in the register. The practice of placing the receipt slip between the counterfoil and the certificate has been condemned by the highest authorities; it is found more convenient to place this slip to the right hand of the certificate, otherwise the danger of the certificate being torn away, leaving the receipt attached to the counterfoil, frequently arises. In most cases, the back of the certificate itself contains provisions for information required to be entered by the company's officials as to certification and transfer when the sale of the shares represented in the certificate takes place. (See CERTIFIED TRANSFER.)

SHAREHOLDERS.—The persons who are the holders of shares in a joint fund or property.

SHAREHOLDERS' MEETINGS.—Every joint stock company registered in the United Kingdom is required by law to hold meetings of its shareholders from time to time. The greater number of

such companies are governed by the provisions of the Companies Act, 1862, and the various Acts amending it, all of which are now consolidated by the Companies (Consolidation) Act, 1908.

Section 64 of this Act provides that every company shall hold a general meeting of its shareholders once at least in every calendar year (*i.e.*, between January 1st and December 31st), but no company may allow a greater interval than fifteen months to elapse between any two of its general meetings. The first general meeting held by a company is usually what is known as the statutory meeting, which must take place within a period of not less than one month, nor more than three, from the date at which the company is entitled to commence business. (See under STATUTORY MEETINGS.)

Other general meetings are known as "ordinary" or "extraordinary." At the former, what may be termed the "routine business" of the company is transacted, and the articles of association usually specify the nature of such business, *e.g.*, Table A (Clause 50) provides that all business shall be deemed special, with the exception of—

1. Sanctioning a dividend.
2. The consideration of the accounts, balance sheets, and the ordinary reports of the directors and auditors.
3. The election of directors and other officers.
4. The fixing of the remuneration of the auditors.

At extraordinary general meetings special business is transacted, *e.g.*, passing a resolution for increasing the capital of the company.

Under normal circumstances, shareholders' meetings are convened by the secretary acting under instructions from the directors given at a properly-constituted Board meeting. Should the secretary, however, convene the meeting on his own initiative without the necessary authority, the meeting will be invalid *unless* the Board ratifies his action before the meeting takes place.

In certain circumstances, the members may themselves convene a meeting. Thus, if there are no provisions in the company's articles, Section 67, (Clause 2) of the 1908 Act enables five members to call a meeting, and again, by Section 66 of the Act, shareholders have power to convene an *extraordinary* general meeting, if the directors do not proceed to cause a meeting to be held within twenty-one days after requisition by not less than one-tenth of the issued share capital of the company, upon which all calls or other sums then due have been paid. Any meeting convened by the shareholders under these circumstances cannot take place after three months from the date of deposit of the requisition at the registered office of the company. The requisition must state the objects of the meeting, and must be signed by the requisitionists. It may consist of several documents in like form, each signed by one or more of the requisitionists. No matter who convenes the meeting, notice thereof must be given in the manner prescribed by the company's articles, and if they contain no provisions in this respect, then seven days' notice in writing must be given, and the regulations contained in Table A with regard to notices apply (the 1908 Act, Section 67). These provisions, so far as they relate to general meetings, are contained in Clauses 110, 111, 112, 113, and 114 of Table A, which are as follows—

" 110. A notice may be given by the company

to any member, either personally or by sending it by post to him to his registered address, or (if he has no registered address in the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

" 111. If a member has no registered address in the United Kingdom and has not supplied to the company an address within the United Kingdom for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

" 112. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

" 113. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address (if any) in the United Kingdom supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

" 114. Notice of every general meeting shall be given in some manner hereinafter authorised to (a) every member of the company (including bearers of share warrants), except those members who (having no registered address within the United Kingdom) have not supplied to the company an address within the United Kingdom for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings."

Bearer warrant holders are entitled to notice, provided they furnish the company with an address to which notices can be sent.

Seven days' notice, unless qualified, means seven clear days, *i.e.*, exclusive of the day of giving the notice and of the day of the meeting, but it may be pointed out that Clause 49 of Table A says—

" Seven days' notice at least, exclusive of the day on which the notice is served, but inclusive of the day for which notice is given."

Notice of meeting may, of course, be given by advertisement only, if the articles so specify, but it is very unusual to dispense with the more direct method of advising shareholders through the post, although notice by advertisement, in addition, is frequently given. The notice should state precisely the date, time, and place of meeting, and these must be fairly convenient to the shareholders. I

for instance, the directors, in order to exclude persons who, they knew, intended to show hostility to a resolution which the directors wished to get adopted, deliberately fixed the meeting for an hour which would render attendance by such persons almost an impossibility, the business transacted at the meeting would be set aside, if the circumstances were proved to the court. Even if there were no manifest intention of the kind mentioned, the court would probably decide similarly, if it could be shown that the time or place decided upon precluded any considerable number of shareholders from being present at the meeting. What is a reasonable time and place will, of course, depend on the particular circumstances affecting each company. For most companies, the meetings should be held during ordinary business hours, say, between 10 a.m. and 4 p.m., but such could hardly be considered a reasonable time to hold, say, a meeting of the shareholders in a working men's co-operative society. As to the most convenient place, this will, in most cases, be either at the registered office of the company or in its vicinity. If the accommodation afforded by the company's offices is not considered adequate, it will probably be necessary to hire a suitable hall. The cost in London for the use of such halls ranges, according to size, from two to five guineas or more, and usually includes the use of a committee room.

Notice must be given to all persons entitled to attend the meeting, and to ascertain who these may be, recourse must be had to the company's articles of association. Failing any provision therein with regard to this matter, all members, whether of different classes, *i.e.*, holders of ordinary, preference, deferred, or founders' shares, have a right to attend. This does not apply to debenture holders, however, for they are not *members* of the company.

Failure to send proper notice to anyone entitled to receive it will invalidate the meeting, although a provision, on the lines to be found in Table A (Clause 49), is usually included in most companies' regulations. The provision referred to is as follows:—

"The non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting."

It is a question, however, whether the above would prove effective if any considerable number of members were deprived of proper notice.

The secretary should see that all necessary books and papers are at hand for reference on the day of the meeting; there are many things calculated to interfere with the smooth running of a company meeting, and an awkward wait whilst search is being made for some book or document is one of them.

The books and documents mentioned below are likely to be required at almost every shareholders' meeting—

1 *The Agenda Paper.* A number of copies, in addition to the chairman's, should be prepared, so that each director present may be supplied with one. It is considered by some to be preferable to use a book for the chairman's agenda.

2 *The Minute Book.* If separate books are used for shareholders' and Board meetings, both books should be at hand.

3 *The Register of Members.*

4 List of names of shareholders alphabetically arranged, with number of shares held by each.

This may seem superfluous, seeing that the register of members can always be referred to, but such a list will often effect a great saving in time; for instance, where a certain proportion of the capital has to be represented in order to form a quorum, or in the event of a poll being demanded.

5 A few copies of the company's memorandum and articles of association.

6 Some spare copies of the notice convening the meeting and also of the directors' report and balance sheet and auditors' report, where these are being submitted (There are always a number of shareholders who fail to bring with them the copy which has been previously posted to them.)

7 A good supply of plain foolscap for note-taking. (Those present will appreciate a consideration for their convenience of this kind.)

Those attending the meeting should be asked, on entering the room, to sign their names in a book or on sheets of paper provided for that purpose. If the meeting is likely to be attended by any considerable number of persons, admission should be by cards forwarded to each member with the notice of meeting.

These cards should have a space provided for the member to sign his name, and should request him to do so before attending the meeting. The inconvenience occasioned by a number of people waiting their turn to record their signatures at the entrance of the place of meeting is thereby obviated.

If the directors wish to postpone a shareholders' meeting after it has been duly convened, the proper course to pursue is to hold the meeting as originally intended, and then get the meeting to adjourn itself to the desired later date. The courts have decided that unless expressly empowered to do so by the company's articles, the directors cannot effect postponement of a properly convened meeting simply by notifying those entitled to attend of the proposed alteration of date. Under such circumstances, it would be competent for the shareholders to hold the meeting on the day first appointed, and to transact then and there any business within the scope of the convening notice.

SHARE REGISTER. (See REGISTER OF MEMBERS.)

SHARES. These practically constitute the nominal unit into which a company's capital is divided. With the exception of parliamentary companies or such corporations as are established by a special Act of Parliament, all other joint stock concerns are represented by capital divided into shares frequently of different denominations, each denomination having prior claims over others, all the shares being of a certain specified nominal value, and represented by a definite number, hence the appellation applied in several parts of the Companies (Consolidation) Act, 1908: "A company having capital limited by shares."

Property in Shares. All shares are regarded as personal estate, though from the fact that a company may be empowered to possess land many have erroneously regarded their holdings as real estate, from the knowledge that the company itself possesses landed property. Shares are disposed of purely and simply as personal possessions, and if held in the form of a share warrant to bearer are passed from one owner to another by mere act of delivery. (See SHARE WARRANT TO BEARER.) By Section 23 of the Companies (Consolidation) Act, 1908, every person possessing shares in the company is entitled to a certificate

which shall specify the nature of the shares or stock held by the shareholder, and a production of such certificate shall be *prima facie* evidence of title, and as each share is required to be distinguished by its distinctive number, the certificate must contain the information as to the number or numbers of the shares it represents, except in cases where a company has converted its capital from shares into stock, when the share certificate will merely specify the nominal amount of the stock it represents. The certificate is further to contain information as to the amount paid up on the shares for which it is issued, and must, further more, be issued under the common seal of the company, signed and countersigned in the manner required by the articles of the company it represents.

The existence of ownership in shares can be investigated by the right of the public to inspect a company's register of members upon payment of a fee not exceeding one shilling. (See Section 30, Companies (Consolidation) Act, 1908, and under REGISTER OF MEMBERS.)

Share Denominations. The memorandum of association will contain a statement as to the share capital of the company in value and the number of shares into which that capital is to be divided, and will further specify the different classes into which capital is apportioned. In the majority of large liability concerns there are at least three distinct grades of shares, each carrying priority in rights, both as to dividend and distribution of assets in the winding up, over the others. They are usually known as follows—

1. Preference shares or cumulative preference shares.

2. Ordinary shares, with or without a certain stated amount of dividend, and after satisfying the claims of preference shareholders.

3. Deferred ordinary or founders' shares, which participate in profit after obligations to the two preceding classes of shareholders have been satisfied.

Preference Shares. These may be issued subject either to cumulative or non-cumulative conditions, but, in any case, the dividend so fixed must be paid on these preferred shares before any profits are available for those shareholders whose rights rank next in priority. A cumulative preference share is not only entitled to its fixed rate of dividend in any given year, but also to such dividends as may have fallen into arrear in any former year or years to the extent to which these arrears have accumulated, but if preferred shares do not carry any such cumulative rights, they are then only affected by the available profits arising from the year under review; but in every case dividend on the year under review is paid before any arrears which may be due on that preferred capital. In all cases, regard must be had to possible requirements existing in the company's regulations as to setting aside out of profits any stipulated sum as a reserve. If this is so, the reserve to the required extent must be provided before any dividend can be paid whatsoever.

In winding up, the rights of preferred shares, both as to capital liability and any dividend which may be due under the above mentioned cumulative principles, must be paid for before any claim can be made by shareholders of other denominations.

Ordinary Shares. These stand next in order to any preference or cumulative preference shares which may exist, and here, again, the articles

may have made provision for a certain rate of interest, with added advantages, over those possessed of deferred ordinary shares, if profits reach a certain amount. But in winding-up the question of dividend in arrear will not be considered, unless any dividend has been formerly declared by the Board, but had not been paid.

Deferred Ordinary or Founders' Shares. This class of share ranks last in the scale of rights for sharing in a distribution of profits and realisations from assets in winding up. As a general rule, such shares are usually held by the vendors and the directors or others connected with the management of the company's affairs.

Purchase of Shares. Any person is entitled upon the issue of a prospectus inviting the public to subscribe to take up such shares as he or she may think fit, minors, married women, or aliens are not debarred, but as regards a minor, it is important to remember that (as was shown in *Hamilton v. Laughlan Share Company*, 1894, 3 Ch. 589) there is nothing to prevent his repudiation of any liability attached to the shares upon attaining his majority.

Again, a company may not take up its own shares, but it can take up the shares of another company. Underwriters may, under certain prescribed conditions, be regarded as members when they have decided to "place" shares on stipulated terms, but it is requisite that the underwriting agreement should contain conditions to cover this in the event of their contract not materialising as regards the "placing" of the shares, with the result that they are called upon to assume the liability themselves.

The taking up of a share or shares is governed by the simple law of contract. It is possible to agree to take shares verbally, as was shown in *In re Bloam*, 1864, 33 *Beav.* 529, nevertheless, care should be observed by both parties in seeing that the application for shares is carried out under properly prescribed conditions covered by the issue of a prospectus, accompanied with the usual form of application (*q.v.*). The contract to take the shares is complete when a letter of allotment has actually been posted, and thereafter cannot be revoked. It is, however, possible to void an allotment even by a mere verbal message delivered to a clerk at the company's registered office, merely intimating that the application for shares is to be withdrawn, always providing that the allotment letter had not at the time been placed in the post.

This is based upon the theory that the contract is not complete until actual acceptance has been notified by the directors, the act of notification in this case is the actual despatching of the letter of allotment representing the application, which had been lodged in the usual course.

Shares may be purchased in the open market or by private treaty upon fulfilling the stipulations required by the company as to completion—stamping and registering the deed of transfer. (See TRANSFER OF SHARES.)

Rights and Liabilities. The privileges, duties, and obligations attached to the ownership in shares will, in the main, be covered by the articles of association of the company concerned. The memorandum of association will contain the all-important provision that the liability of the members is limited. The interpretation of this amounts to the fact that if, and when, all calls or other instalments due upon the shares have been met, the

holder of the shares is no longer liable in any way.

On the other hand, assuming a 1/1 share to have only been subjected to demands by the directors in the form of application, allotment, and calls, amounting in all to 15s., leaving 5s. per share uncalled, then the shareholder is liable to be called upon to pay that portion uncalled as and when the company or the directors, as the case may be, may decide, subject to any reservations provided for by Section 59 of the Companies Act, wherein it may have been decided by special resolution that any existing uncalled capital shall not be called up except and for the purposes of meeting liabilities in winding-up; but, in any case, the shareholder does not escape liability for uncalled capital, as he would in any case be called upon to contribute to the extent of the unpaid portion of his shares if so required by the liquidator in winding-up. (See *KIRKBY LIABILITY*.)

Liability attaches to a shareholder who transfers his shares to another for any portion of uncalled capital for the space of one year after the date of such transfer.

Rights as to notices of meetings, voting, etc., will be governed by the company's regulations.

Lien. Practically all companies limited by shares are given express powers in their articles of association to exercise the right of lien on every share which is not fully paid for, in moneys payable thereon, such moneys having been duly called up; they further exercise the right of lien over the shares of any person who may at the time owe moneys to the company, or who is otherwise bound by some obligation to the company. The directors have power, however, to declare exemption from the provisions, covered by a clause bearing on liens. Where a lien exists on a share, it extends also to any dividend payable thereon.

SHARE WARRANT TO BEARER.—This is a form of security which enables the holder to transfer it for a consideration by mere act of delivery. The possession of such a document is deemed by law to possess an indisputable title, unless, of course, it can be shown that he has obtained possession of it by fraudulent means.

Practically all companies are empowered by their special regulations to issue share warrants to bearer in exchange for share certificates, which may be surrendered by any members desiring to have their security in the company represented in "bearer" form. Before the directors consent, they are empowered to request the member demanding an exchange of certificate for a bearer warrant to establish his identity as the holder of the shares named in the share certificate.

The general statutory provisions governing the issue and character of share warrants to bearer are found in Section 37 of the Companies (Consolidation) Act, 1908, and are as follows:—

"(1) A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share warrant.

"(2) A share warrant shall entitle the bearer

thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

"(3) The bearer of a share warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members, and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled.

"(4) The bearer of a share warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Act, either to the full extent or for any purposes defined in the articles; except that he shall not be qualified in respect of the shares or stock specified in the warrant for being a director or manager of the company, in cases where such a qualification is required by the articles.

"(5) On the issue of a share warrant the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely:—

"(i) The fact of the issue of the warrant,

"(ii) A statement of the shares or stock included in the warrant, distinguishing each share by its number, and

"(iii) The date of the issue of the warrant.

"(6) Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Act to be entered in the register of members, and, on the surrender, the date of the surrender must be entered as if it were the date at which a person ceased to be a member."

The provisions contained in this Section can only be given effect to if powers are also contained in the articles of association of the company. Although the requirements of different articles of association vary to some extent, they will be found to conform to the provisions required in the statute itself. Generally, a company is empowered to issue share warrants, and the directors may exercise their discretion with regard to any share or shares, so long as those shares are fully paid when application in writing, usually upon a properly prescribed form, has been signed and delivered by the person who establishes his right to the shares represented by the certificate, and, as pointed out above, the directors may require him to authenticate his title to the shares by such evidence as they may deem expedient. If satisfactory and the amount of the stamp duty on the share warrant has been paid, the directors may forthwith issue under the seal of the company a share warrant, stating that the bearer is entitled to the shares specified upon it, but the distinctive number of the shares must, in all cases, be given. It should be noted here that a share warrant for stock is practically unknown, as the Stock Exchange Committee do not countenance such a form of security. This is obvious from the fact that whereas shares, being numbered, have an indisputable identity, stock on the other hand, is merely represented by a

statement in nominal value. A share warrant may contain coupons, attached to it in proper order, for the payment of dividend or interest at such times as may have been decided upon, and these will be detached and presented at the proper date.

Rights of Holder. The holder of a share warrant possesses an indisputable title to the shares represented by that warrant, and the property in the shares is capable of being transferred from the bearer to another by the mere act of delivery. The provisions regulating the transfer and transmission of shares of the company do not apply to share warrants. The holder is further entitled upon surrendering his warrant to apply to the company for a cancellation of it, and to have his name entered upon the register of members, receiving an ordinary share certificate in the usual way. The directors may call upon him to pay such sum as they may deem advisable. If the holder desires to sign a requisition for calling a meeting of the shareholders, he must deposit his warrant at the registered office of the company, and so long as the warrant remains deposited he may exercise the ordinary rights of the members in attending and voting at any meeting held after two clear days from the time when his warrant was deposited. It is not possible, however, that more than one person shall be represented as the holder of any given warrant. The company is empowered, after giving two clear days' notice in writing, to return the warrant to the depositor. This is usually done by personal act of delivery, the acting official obtaining a written acknowledgment as to its surrender to the holder. The holder of the warrant may not exercise any of the privileges as to attending meetings, voting or participating in a poll, so long as the share warrant has not been deposited at the company's registered office, but he exercises his right at all times to such other privileges as the property in the warrant confers, to the same extent as though he were a shareholder on the register of members, according to the class of share he held.

Procedure as to Companies' Books. It is important that share warrants should be forwarded to the Inland Revenue Authorities to have the stamp duty impressed before the warrants have been sealed by the company or signed, but in other respects they should be complete, in order to provide sufficient information to the authorities in assessing the requisite amount of duty to be paid on each.

If the practice of issuing warrants to bearer is likely to be extensively indulged in, a special share warrant register should be provided. But if the number of warrants is not likely to be large, then a certain section of the register of members may be allotted to an account, to be entitled Share Warrants to Bearer Account. Entries into this account can be made by means of postings from entries in the ordinary register of transfers, the transferor signing as the holder of the surrendered certificates, whilst the transferee will be designated Share Warrants to Bearer Account. Similarly, when warrants have been surrendered to be exchanged for or converted into share certificates, the transferor is Share Warrants to Bearer Account, the person lodging the warrant is the transferee, who thus becomes entitled to a share certificate on the terms provided for under the company's regulations. These transactions are carried out by means of special forms, every case being treated

in a similar way to the registration of transfer deeds (*qv*).

Annual Returns. In making the annual return, or Form "E," certain information is to be given as required by Section 26 (2) of the Companies (Consolidation) Act, 1908. This information includes a statement of the full amount of shares or stock represented by warrants, which are outstanding at the date when the return is made, the amount represented by such share warrants as have been issued and surrendered since the date of the last return, the number of shares or amount of stock represented by each share warrant issued.

A specimen of a share warrant to bearer is given as an inset.

By the Stamp Act, 1891—

SHARE WARRANT AND STOCK CERTIFICATE TO BEARER. A duty of an amount equal to three times the amount of the *ad valorem* stamp duty which would be chargeable on a deed transferring the share or shares or stock specified in the warrant or certificate if the consideration for the transfer were the nominal value of such share or shares or stock. (Sec. STAMP DUTIES.)

The penalty for issuing unstamped share warrants or stock certificates to bearer is £50.

Where the holder of a certificate to bearer is entered on the register as the owner of the share or stock the certificate must be cancelled so as to be incapable of being re-issued. (Section 109, Stamp Act, 1891.)

By Section 5 of the Finance Act, 1899, the stamp duty shall extend to any instrument to bearer issued by or on behalf of any company or body of persons in the United Kingdom and having a like effect as a share warrant or stock certificate to bearer.

SHAWLS.—Coverings for the shoulders and back, made chiefly of wool. The shawls of Kashmir, made from the soft inner wool of the Tibet goat, have been held in high esteem for centuries. Great skill is necessary for the weaving and embroidering, and the dyes used are native colours. Shawls of inferior quality are made in other parts of Northern India, and imitation Kashmir shawls of imported Tibet wool are manufactured in Vienna, and in Lyons, which also makes grenadines and chenilles. Norwich is famous for its silk and crape shawls made in imitation of Chinese work, and Paisley produces an article with a characteristic pattern. Common shawls are made in quantities in most of the English and Scotch districts engaged in woollen manufacture. The centre of the shawl trade in the United States is Massachusetts.

SHEA BUTTER.—Another name for galam butter (*qv*), but sometimes applied also to the oil obtained from the seeds of a West African tree.

SHEEP.—There are several species of sheep classified according to the length of their wool. The flocks of the British Isles are decreasing in number owing to the rapid consumption, and living sheep, as well as fresh mutton, are imported from the Continent. Frozen mutton comes from Australia and New Zealand, and there is a large demand for Canterbury lamb. The merino sheep supplies all the fine wool for clothing which is imported from Spain and Australia. South Africa and Australia send the sheep skins used in the manufacture of leather.

Sheep are found in most temperate climates but

THE FLUENT COMPANY,
Ltd.

SHARE WARRANT.

For 10 Shares

Numbered 1441 to 1450

inclusive.

No. of Certificate 127

Issued to Alexander

Kenneth Scott

of 93 Bruce Avenue,

Wood Green,

London, N.

Dated 5th July, 19...

Folio in Register of Members

345

(1435) 4th. pp. 1484 and 1485

THE FLUENT COMPANY, LIMITED.

(Incorporated under The Companies Acts, 1908 to 1...

No. 127

SHARE WARRANT. £100.

THIS IS TO CERTIFY that the Bearer of this Warrant
entitled to Ten Fully paid-up Shares of £10 each
numbered 1441 to 1450 inclusive, in The FLUENT
Company, Limited, subject to the Articles of Association
of the Company and the Conditions indorsed hereon.

GIVEN under the Common Seal of the Company,

This 5th day of July 19...

L.S.

A. J. Molloy.
G. K. Bryant. } Directors.

F. Donald,
Secretary.

do not thrive in the tropics. A dry and fairly warm climate suits the wool-bearing breeds such as the merino of the Mediterranean, while a damp climate is more favourable to varieties bred for mutton. In sodden ground disease occurs in sheep. The sheep is essentially an upland animal, which makes sheep grazing an economical occupation in that it does not employ land suitable for cereal growing. The growth of population in new lands does not encroach on sheep lands to the same extent as on cattle lands. While cattle must eventually decrease in numbers, sheep will continue to increase, at least in the new lands, as more hardy breeds are discovered. In Europe and the United States numbers seem to be declining. Sheep constitute the chief source of wealth of many remote countries with inhospitable climates such as the Falkland Islands, Tierra, and Iceland. The countries in which sheep are most numerous are Australia, where they are the principal source of wealth, the Argentine, the United States, Russia including what was till 1917 the empire in Asia, Asia Minor, South Africa, the United Kingdom, Uruguay, and New Zealand. Per head of the population, and so in the best situation for export of mutton, the Falkland Islands, Australia and Uruguay lead.

SHEET GLASS.—(See GLASS.)

SHELLAC.—(See LAC.)

SHENG.—(See FOREIGN WEIGHTS AND MEASURES—CHINA.)

SHERIFF.—In England, the post of the Sheriff, the old shire reeve, is one of the most ancient offices known to the law, and is of undoubted Teutonic origin. The sheriff was the principal officer of the king in the county, and his duties and powers extended to military, judicial, financial, and ministerial affairs. Originally elective, the power of appointment became vested in the Crown in the early part of the fourteenth century, and since 1349 a new sheriff has been nominated each year. Various statutes relating to the office have been passed at different times, and the whole were consolidated by the Sheriffs Act, 1887. At the present time a court is annually constituted in the King's Bench Division of the High Court of Justice on the 12th November, the morrow of St. Martin's Day, consisting of the Chancellor of the Exchequer and a number of King's Bench judges, and three landowners of the county are selected to serve for the ensuing year. The final choice of the one of the three who has to act as sheriff is made by the King in Council, and is known as "picking for the sheriff." The appointment is finally made by a warrant signed by the Clerk of the Council.

As above stated the sheriff had important executive duties in the earliest times, and to-day he has still plenty of work committed to his care. He attends the judges when they are on circuit (*q.v.*), and he acts as returning officer for the parliamentary divisions of the county. These matters he generally attends to personally, but the other duties connected with the office are most frequently performed by his subordinates, viz., the under-sheriff or the deputy sheriff. They include such matters as the summoning of juries (see JURY), the execution of civil process, the hearing of compensation cases (see SHERIFF'S COURT), and the attendance at the execution of criminals. The deputy sheriff or the under-sheriff must be appointed by the sheriff within one month of his own appointment.

In those cities or towns which are counties of

themselves, the council appoints the sheriff. This is done immediately after the election of the mayor on the 9th November of each year.

The Sheriffs of the City of London occupy a peculiar position, which requires no description here.

In Scotland, the sheriff also occupied an important position from the twelfth century, the country being divided into sheriffdoms, over each of which a sheriff exercised judicial and ministerial power. The office gradually became hereditary in certain great families, and the duties were performed by deputy. This hereditary principle was abolished in 1748, and at the present day the old judicial functions of the sheriff are performed by a sheriff principal for each county, who acts in a capacity corresponding to that of an English county court judge and a chairman of Quarter Sessions. These sheriff-principals are appointed by the Crown, and must be advocates of at least three years' standing.

There are no sheriffs in Ireland.

SHERIFF'S COURT. The Sheriff's Court is the court which exercises what remains of the functions of the old common law County Court. The sheriff was not the judge of it, the suitors or freeholders being the judges, but it was summoned by him as the chief officer of the Crown in the county, and was in a special sense his court. Before the old County Court was superseded at a very early date in our history by the Courts of Assize held by the King's judges, it was the chief local court of civil jurisdiction, and tried actions relating to land and for the recovery of money up to a limited amount. There were other local courts, such as the Court Baron and Hundred Courts, but they all became antiquated, and expensive, and dilatory, and from the time of James I, when the first Court of Requests was created for the City of London, similar local courts were set up in the chief centres of population. A hundred of these courts had been established by 1811, and all these various classes of courts went on, side by side, acting very imperfectly as courts for minor claims. In 1846 the present County Courts were established, and, although the sheriff has nothing to do with them, and they are divided into districts defined by reference to unions and parishes, they received the name of County Courts. The old Sheriff or County Court was not abolished, and the sheriff has still to assemble it at irregular intervals for certain purposes. It has now ceased, however, to have any practical importance, except for sitting on Writs of Inquiry, and as a compensation court for the assessment of compensation for property taken or injuriously affected by compulsory acquisition under Acts of Parliament. There still remains, nominally, its jurisdiction in outlawry, that is to say, the process by which a criminal is put outside the law's protection when he has wilfully avoided the execution of the ordinary process of the King's Court and escaped apprehension. This process, however, is extremely rare and practically obsolete. In civil cases it has now been abolished, and the whole subject is so technical and unimportant, that nothing more need be said about it.

Until 1888 one of the modes of choosing coroners was election by the county freeholders, and the Sheriff's Court was summoned whenever a writ for electing coroners was directed to the sheriff. In that year this mode of choosing coroners was abolished by the Local Government Act (51 and 52 Vic. c. 41, s. 5), and the writ is now directed to

the county council, who also itself appoints the coroner.

By the Sheriffs' Act, 1887 (50 and 51 Vic. c. 55, Sec. 18), a sheriff is not bound to hold a county court except where the holding of such court is required for the purposes of an election or of the due execution of some writ or for any other specific purpose. In such case he must hold a court at the time fixed by law, or by the writ, or if no time is fixed, within a reasonable time; and if there is need for more than one court for such purpose, they must be held at intervals not greater than a month.

From what has been said, it will be seen that the only occasions for holding the court are on Writs of Inquiry and Compensation Cases.

1. Writs of Inquiry. A writ of inquiry directed to the sheriff may be issued by the plaintiff in several cases—

(a) In certain classes of action where plaintiff has already obtained judgment, but there may be future breaches for which damages will be due and will have to be assessed. In 1833 the older procedure was replaced by a writ of inquiry directed to the sheriff.

(b) In actions for pecuniary damages, or for the detention of goods, with or without a claim for pecuniary damages, where the defendant has made default in appearance, and the damages due to the plaintiff have to be assessed.

But in actions where the damages are substantially a matter of calculation, it is not necessary to issue a writ of inquiry, and the court or a judge may direct the amount to be ascertained by an officer of the court or an Official Referee (*q.v.*).

On receiving the writ, the sheriff summons a jury from persons with the usual qualifications of ordinary jurymen, but there may be more than twelve. They are paid 4d. each in London and 1s. outside. For special jurymen, an order of the High Court is necessary, and by custom they are paid one guinea each.

The inquiry is usually held by the under-sheriff, or, as he is called in London, the Secondary. The proceedings on the trial are, in general, the same as before a jury in the High Court.

Solicitors have the right of appearing as advocates for their clients.

On the close of the inquiry the result is reported by the sheriff to the High Court, and subsequent proceedings take place there.

2. The Sheriff's Court as a Compensation Court.

Where public companies have the power of compulsorily acquiring lands, various Acts of Parliament, such as the Lands Clauses Consolidation Act, the Companies Clauses Consolidation Act, and the Railway Clauses Consolidation Act, all passed in 1845, make provision for the assessment of compensation to the owners or persons interested in them. Where private agreement fails, the person claiming compensation above £50 may have the amount settled by a jury. He gives notice of his claim to the promoters of the undertaking, and unless they are willing to pay the amount required, they must, within twenty-one days after receipt of the notice, issue their warrant to the sheriff to summon a jury. If they do not do so, they are liable to pay the compensation claimed, and it may be recovered by action. The principles on which the sheriff is to proceed are laid down in the various Acts of Parliament governing the compulsory acquisition of land. The high built of the

City and liberty of Westminster is substituted for the sheriff where the lands to be taken are within the City and liberty of Westminster. Directions as to the summoning of the jury are given in the Land Clauses Consolidation Act, 1845. If the sheriff is interested in the property, the warrant for summoning the jury goes to a coroner of the county where the lands are situate.

By Section 43 it is enacted that the sheriff shall preside on the inquiry, but the word "sheriff" includes under-sheriff or other legally competent deputy. If the sheriff make default in doing any of the acts it is his duty to do, he is liable to a penalty of £50 for each offence.

A similar inquiry is held by the sheriff where the interests or rights of persons are affected by schemes under the Commons Act of 1899, and compensation is to be allowed. Further details belong to the general subject of COMPENSATION; but it may also be mentioned that the sheriff may be directed to hold an inquiry concerning the Crown's right to the possession of lands or chattels, and where the lands and goods of a Crown debtor are seized under a writ of extent to satisfy the debts of record due to the Crown, e.g., from collectors of taxes. In both cases juries are summoned.

SHERIFF'S COURTS (SCOTLAND).—These are the principal local courts of civil and criminal jurisdiction in Scotland. The civil jurisdiction corresponds in a great measure to that of the county courts in England, though for the sake of convenience it is divided into three parts—the ordinary court, the small debt court, and the debts recovery court. The procedure cannot be dealt with here, as it belongs essentially to practice. The criminal jurisdiction is confined to cases in which the punishment which can be inflicted is fine or imprisonment. There is no power to sentence a person to penal servitude in the sheriff's court.

The civil jurisdiction and procedure are regulated by the Sheriff's Court (Scotland) Act, 1907, and the criminal by the Summary Jurisdiction (Scotland) Act, 1908.

SHERIFFS AND THE LAW OF BANKRUPTCY.

—Sales of goods by the sheriff to satisfy debts require to be specially dealt with in relation to the law of bankruptcy. Thus it is an act of bankruptcy to allow goods or the proceeds of the sale of goods taken under execution to remain in the hands of the sheriff for twenty-one days. The Bankruptcy Act also contains provisions which are intended to settle the question whether goods held by the sheriff belong to the execution creditor or the trustee.

Where, under an execution in respect of a judgment for a sum of over £20, the goods of a debtor are sold or money is paid in order to avoid a sale, the sheriff must deduct his costs and retain the balance for fourteen days. If within that time, notice of a bankruptcy petition is served upon him, and a receiving order is made on that or any other petition of which the sheriff has notice, the sheriff pays the balance to the official receiver. It follows from this that an execution creditor whose debt exceeds £20 stands to lose the whole benefit of his execution unless he abandons the excess over that sum. By making such a sacrifice, sale by public auction is avoided. The fourteen days commence to run from the time of the completion of the whole sale—not from the date of the last receipt of the purchase money by the sheriff. The fact that an execution levied by seizure and sale is an act of

bankruptcy does not render it invalid, and a person who purchases goods in good faith under a sale by the sheriff in all cases acquires a good title to them as against the trustee in bankruptcy.

Notice of a receiving order also places certain restrictions upon the sheriff.

Thus where any goods of a debtor are taken in execution, and before sale or the completion of the execution by the receipt or recovery of the full amount of the levy, notice is served on the sheriff that a receiving order has been made against the debtor, the sheriff must, on request, deliver the goods and any money seized or received to the official receiver. The costs of the execution are, however, a first charge on the goods or money so delivered, and the official receiver or trustee may sell the goods, or an adequate part thereof, for the purpose of satisfying the charge. The goods of a debtor within the meaning of these provisions do not include goods impounded to meet the landlord's claim for rent. The sheriff may sell everything except tools, etc., to the value of £5, which are exempt from seizure. The "notice of a receiving order" must be served on the sheriff or his agent for the purpose, notice to a man in possession is not sufficient. Unless requested by the official receiver to hand over the goods, the sheriff must sell. The trustee cannot then question the sale. The "costs of the execution" must be taxed by the officer of the court, and if the bill of costs is not brought in for taxation within one month from the date of the delivery of the money or goods, the official receiver or trustee may decline to pay them.

SHERRY.—The dry, white wine imported from Cadiz. The name is derived from Xeres de la Frontera, which is the chief centre of production. All kinds of sherry are strengthened and preserved by the addition of brandy or other spirit, and some are flavoured with bitter almonds. The golden-brown colour is largely due to the addition of some colouring matter, and adulteration for other purposes is common. The finest varieties are Amontillado, Manzanilla, and Montilla, in which the alcoholic strength varies from 15 to 34 per cent. England is the chief consumer.

SHILLING.—This is a coin which passes current as the twentieth part of a sovereign or pound. It is of considerable antiquity, but its value has varied much at different times. In 1560 a pound Troy of silver was coined into sixty shillings. In 1600 the number of shillings made out of the pound weight was increased to sixty-two, and finally by the Act of 1816 the number was still further increased to sixty-six, at which it still remains. The metal used is now composed of thirty-seven parts of fine silver and three parts of alloy, and the weight of a shilling is 87.27272 grains Troy.

SHINGLES.—Wood cut by machinery into thin, flat, rectangular pieces, which are employed as a substitute for slates or tiles for roofing log huts in the United States. The timber generally used is that of the oak or pine.

SHIP, BRITISH.—(See BRITISH SHIP.)

SHIP BROKERS.—These are the agents—either an individual or individuals, or a firm—who are appointed by shipowners to act in a seaport town on their behalf in carrying out and performing all the transactions which are necessary for the conduct of the affairs connected with their vessels whilst these vessels are stationed at the port, such as entering and clearing the vessels, collecting the freights, chartering, etc.

SHIP CANALS.—The canals (*qv*) which are made wide and deep enough to admit of the passage of large ocean-going ships. The best known instances are the Suez Canal, the Manchester Ship Canal, and the great Panama Canal.

SHIP CHANDLERS.—These are dealers in cordage, canvas, and other articles connected with the furnishing of a ship.

SHIP LETTER. This is a letter carried and forwarded by a private vessel, and not by a boat chartered by the Government for the carriage of mails.

SHIP LOAD.—The cargo of a ship.

SHIP MASTER.—This is the name by which the captain of a merchant ship is commonly known. He must be a person properly qualified according to sections 92-94 of the Merchant Shipping Act, 1894. Amongst his general duties are included the provision of a proper and competent crew, as well as the necessary equipments of the ship for its voyage, due navigation and proper management of the ship, and every care of the interests of the shipowners. He must also keep an official log and take charge of the ship's papers (*qv*), all of which must be presented for inspection on a proper demand being made. He is invested with special disciplinary powers over all persons on board.

His duties, as far as the cargo is concerned, are to take it in as quickly as possible, to store it properly, and to sign the bills of lading (*qv*) for the goods which he has received on board.

Among his special powers as to the ship and the cargo are the transhipment of goods without risking the loss of freight, pilson (*qv*), and the authority to bind the shipowner by bottomry and respondentia (*qv*).

SHIPMENT.—The act of putting goods on board, and also the name given to the goods themselves, when the property in the goods rests with the consignee.

SHIPMENT METHODS. (See EXPORT TRADE, ORGANISATION OF, SHIPPING GOODS ABROAD.)

SHIP MORTGAGE.—All the particulars connected with a British Ship are given in the article under that title, to which reference must be made. When a ship is mortgaged, the mortgage must be by way of bill of sale, as it is called, and the particulars connected with this mortgage are set out in the Merchant Shipping Act, 1894. The form provides for a full description of the ship, particulars of tonnage, etc., and continues—

"I" or "we" in consideration of the sum of *£* *paid to* ["me" or "us"] by *the* receipt whereof is hereby acknowledged, transfer shares in the ship above particularly described, and in her boats, guns, ammunition, small arms, and appurtenances, to the said

Further ["I" or "we"] the said for ["myself and my" or "ourselves and our"] heirs covenant with the said and ["his," "her," or "their"] assigns that ["I" or "we"] have power to transfer in manner aforesaid the premises herein before expressed to be transferred, and that the same are free from incumbrances [if there be any mortgage add "save as appears by the registry of the said ship"]

In witness whereof *ha* hereunto subscribed *name* and affixed *seal* this *day of* *one thousand*

Executed by the above-named *in the presence of*

A purchaser of a registered British vessel does not obtain a complete title until the bill of sale has been recorded at the port of registry of the ship, and neglect of this precaution may entail serious consequences. A registrar must indorse on the bill of sale the fact of the registration with the day and hour thereof.

In addition to the above provisions of the Merchant Shipping Act, 1894, the following Sections regulate mortgages of a ship or shares therein —

Mortgage of Ship or Share.

"31. (1) A registered ship or a share therein may be made a security for a loan or other valuable consideration, and the instrument creating the security (in this Act called a mortgage) shall be in the form marked B in the first part of the first schedule to this Act, or as near thereto as circumstances permit, and on the production of such instrument the registrar of the ship's port of registry shall record it in the register book.

"(2) Mortgages shall be recorded by the registrar in the order in time in which they are produced to him for that purpose, and the registrar shall by memorandum under his hand notify on each mortgage that it has been recorded by him, stating the day and hour of that record.

Entry of Discharge of Mortgage.

"32. Where a registered mortgage is discharged, the registrar shall, on the production of the mortgage deed, with a receipt for the mortgage money indorsed thereon, duly signed and attested, make an entry in the register book to the effect that the mortgage has been discharged, and on that entry being made the estate (if any) which passed to the mortgagee shall vest in the person in whom (having regard to intervening acts and circumstances, if any), it would have vested if the mortgage had not been made.

Priority of Mortgages.

"33. If there are more mortgages than one registered in respect of the same ship or share, the mortgages shall, notwithstanding any express, implied, or constructive notice, be entitled in priority, one over the other, according to the date at which each mortgage is recorded in the register book, and not according to the date of each mortgage itself.

Mortgagee not Treated as Owner.

"34. Except as far as may be necessary for making a mortgaged ship or share available as a security for the mortgage debt, the mortgagee shall not by reason of the mortgage be deemed the owner of the ship or share, nor shall the mortgagor be deemed to have ceased to be owner thereof.

Mortgagee to have Power of Sale.

"35. Every registered mortgagee shall have power absolutely to dispose of the ship or share in respect of which he is registered, and to give effectual receipts for the purchase money, but where there are more persons than one registered as mortgagees of the same ship or share, a subsequent mortgagee shall not, except under the order of a court of competent jurisdiction, sell the ship or share without the concurrence of every prior mortgagee.

Mortgage not Affected by Bankruptcy.

"36. A registered mortgage of a ship or share shall not be affected by any act of bankruptcy committed by the mortgagor after the date of the record of the mortgage, notwithstanding that the mortgagor at the commencement of his bankruptcy had the ship or share in his possession, order or disposition, or was reputed owner thereof, and the mortgage shall be preferred to any right, claim or interest therein of the other creditors of the bankrupt or any trustee or assignee on their behalf."

Transfer of Mortgages.

The main provisions of Sections 37 and 38 are—

A registered mortgage of a ship or share may be transferred to any person, and the instrument effecting the transfer shall be in the prescribed form, or as near thereto as circumstances permit. On production of such instrument the registrar shall record it in the register and notify the fact on the instrument of transfer.

Where the interest of a mortgagee is transmitted on marriage, death, or bankruptcy, or by any lawful means, other than by a transfer under this Act, the transmission shall be authenticated by a declaration of the person to whom the interest is transmitted, containing a statement of the manner in which and the person to whom the property has been transmitted, and shall be accompanied by the like evidence as is by this Act required in case of a corresponding transmission of the ownership of a ship or share. On receipt of the declaration and the production of the evidence the registrar shall register the person entitled as mortgagee.

The prescribed form of mortgage (see Section 31, above) to secure an account current is as follows:—

* [Insert description of ship and particulars as in Bill of Sale.]

Whereas [here state by way of recital that there is an account current between the mortgagor (describing him) and the mortgagee (describing him); and describe the nature of the transaction so as to show how the amount of principal and interest due at any given time is to be ascertained, and the manner and time of payment.]

Now ["I" or "we"] the undersigned in consideration of the promises for ["myself" or "ourselves"] and ["my" or "our"] heirs, covenant with the said and ["his" or "their"] assigns, to pay to him or them the sums for the time being due on this security, whether by way of principal or interest, at the times and manner aforesaid. And for the purpose of better securing to the said the payment of such sums as last aforesaid ["I" or "we"] do hereby mortgage to the said shares of which ["I am" or "we are"] the owner in the ship above particularly described, and in her boats, guns, ammunitions, small arms, and appurtenances.

Lastly, ["I" or "we"] for ["myself" or "ourselves"] and ["my" or "our"] heirs, covenant with the said and ["his" or "their"] assigns that ["I" or "we"] have power to mortgage, in manner aforesaid the above-mentioned shares, and that the same are free from incumbrances [if any prior incumbrance add, "save as appears by the registry of the said ship"]

In witness whereof *ha* hereto sub-
scribed *name* and affixed seal
this *day* of *one* thousand
nine hundred and

Executed by the above-named *1*
* in the presence of *1*

The prompt registration of a mortgage deed at the port of registry of the ship is essential to the security of the mortgagee, as a mortgage takes its priority from the date of registration, not from the date of the instrument.

A transfer of mortgage, to be indorsed on the original mortgage, is as follows:—

["I" or "we"] the within mentioned
in consideration of *this day paid to ["me"]*
or *["us"]* by *hereto transfer to ["him"] or*
["them"] the benefit of the within-written security.

In witness whereof (i.e., as above)

When a mortgage is paid off, the following memorandum of its discharge may be indorsed on the mortgage:—

Received the sum of *in* discharge
of the within-written security Dated at *this*
day of *19*

Witness
of

The Commissioners of Customs may, with the consent of the Board of Trade, make such alterations in the prescribed forms as they may deem requisite. (Section 65.) The forms can be obtained from the registrar at any port of registry.

No notice of any trust, express, implied, or constructive shall be entered in the register book. (Section 56.)

Any register book may be inspected on payment of a fee not exceeding one shilling. (Section 64.)

Any instruments used with regard to the registry, ownership and mortgage of a British ship are exempt from stamp duty.

SHIPOWNERS.—The persons who are the owners of ships.

SHIPOWNERS' LIABILITIES.—(See LIMITATION OF SHIPOWNER'S LIABILITY.)

SHIPPERS.—The merchants and other persons who place goods on board ships for the purpose of transportation abroad.

SHIPPING ADVICES.—There are a great number of papers used in the shipping trade which may be classed under the heading of shipping advices. We will look at some of them. In the first place, we must assume that a firm of merchant shippers has given an order to a manufacturer that the goods are ready packed, and that the manufacturer has applied for marks, numbers, and shipping instructions. We will take it that the goods are for South Africa, and that shipment is desired by the Natal line of steamers. The merchant firm would then send instructions worded something like the following:—

Manchester 19..

• Messrs John, Zebede & Co

Send forward your goods to the order of Messrs.
Bullard, King & Co

14, St Mary Axe, London, E. C.

For shipment per ss "UMTATA," loading in
East India Dock, Blackwall, marked:—

XYZ 12345
Natal

On no account must other than the above numbers be used.

If more are required, apply to us.

Advise consignees of contents and value and gross weight of each package.

Copies of invoice to Manchester. Each copy to have all trade and cash discounts deducted in ink in the same hand or typewriting, and must also state gross weight and measurements of each package. Invoices rendered otherwise will be returned, and supplier held responsible for any loss or fines caused by delay in clearing Customs owing to absence of documents.

The Order No. and Indent No. must be shown on all invoices, and the invoices must be accompanied by two certificates of origin on the regulation form, stating the nett value.

Please distinctly note on invoices, alongside the total amount, whether the goods are carriage forward, carriage paid, F. O. B., or F. O. R. only.

If the carriage to port is paid by the suppliers, the amount of such carriage must be stated at the foot of the invoice and certified by the firm's signature. If this is omitted, we shall be compelled to debit you with duty on the amount of the carriage.

Johnson, Arthur, & Sons

The goods having been duly despatched to the steamer and the invoices forwarded the same day to the merchant(s), the shipping clerk at Messrs Johnson, Arthur, & Sons would advise Messrs Bullard, King & Co. of the marks and numbers, number of cases or packages, the contents in detail, gross weight, amount, and town of despatch, and would attach a slip to his advice note, giving the necessary consignment instructions as follows:—

Consign to Johnson, Arthur, & Sons,

Durban, Natal,

One copy Bill of Lading direct to consignees.

copies of Bill of Lading and copies of Freight Accounts to our Manchester address.

Messrs Bullard, King, & Co. would clear the goods outwards and pay all dock dues, and also all charges for carriage on goods sent carriage forward, debiting Messrs Johnson, Arthur, & Sons with all amounts paid on their account on the freight accounts.

On their part, Messrs Bullard, King, & Co., as the shipowners, would issue from time to time sailing lists giving the name of the vessel, the loading berth, and the last day for receiving cargo. Goods arriving too late for shipment, through delay in transit or late despatch, would be what is known as "shut out" and demurrage or warehousing charges, or rent incurred. In order to avoid all unnecessary charges, the shipping clerk at Messrs Johnson, Arthur, & Sons would discontinue giving instructions to suppliers at least two days before the advertised closing date, if he thought it possible that goods forwarded from a manufacturing town would arrive late. It may also be possible that cargo would arrive before the steamer or vessel is ready to receive it. Some shipowners are very particular about incurring any charges on this account for demurrage, etc., and insert a clause in their sailing lists as follows:—

"All cargo to be consigned to , and

none to be forwarded until an alongside date has been named by them: failing compliance, steamer will not be responsible for any demurrage on wagons under load." In practice, this notice is often disregarded, but as the claims for demurrage made by the railway companies are becoming very serious, and are rigidly enforced by them, it is necessary to call special attention to the matter, and to intimate that, in default of compliance with the instructions referred to, the steamer owners will decline any liability for any demurrage, siding rent, or warehousing charges incurred.

Sometimes the dock company will allow goods for export (if they are sent down to a vessel's berth and not intended for immediate shipment) to remain at the docks, at the owner's sole risk, for one calendar month, free of rent, after which period the company may take same into store and re-deliver to alongside the vessel when she is ready to receive the goods, charging the owner of the goods for the extra services performed at certain scheduled rates plus rent (after the one month), plus tolls and wharfage. This long wait would apply more particularly to sailing vessels overdue or late through stress of weather or any other cause. (See SHIPPING GOODS ABROAD.)

SHIPPING BILLS.—These are of two kinds.

(1) Customs documents used in cases where drawback (*q.v.*) is claimed upon dutiable goods transhipped either for re-export or for use on board during a voyage.

(2) Documents giving particulars of the goods and the exporting vessel, used chiefly for statistical purposes.

SHIPPING CARDS.—These are cards issued by ship brokers to their customers, giving particulars of the ship, or ships, they are about to load, the loading berth, date of departure, etc.

SHIPPING DOCUMENTS.—(See EXPORT TRADE, ORGANISATION OF, SHIPPING GOODS ABROAD.)

• **SHIPPING GOODS ABROAD.**—In days before the war the work in connection with foreign shipments was somewhat exacting and called for special care, but nowadays the business of shipping goods abroad is attended with considerable anxiety and many difficulties, which latter are not likely to become fewer or less formidable for many a day. What follows is designed to assist the reader in any emergency that may arise.

How to Arrive at a "F.O.B." Freight Rate. To begin at the very beginning. Suppose, for the purpose of illustration, that you are a Bristol cocoa manufacturer, and that you are asked by a buyer in Kingston (Jamaica) to quote a price for cocoa of a certain kind, and packed in a certain way, f.o.b. Liverpool, that means the cocoa is to be put free on board the export ship in the dock at Liverpool. In other words, a "f.o.b." price is the original price of the goods at Bristol, plus all charges on the consignment up to and including the time it is actually put into the hold of the vessel which is to take it abroad.

Now when there are two or more routes between the place of manufacture and the port of shipment, as in the case of Bristol and Liverpool, between which places there are both rail and water carriers, one should, when quoting a price for a commodity, at least have due regard to the total cost by the most expensive route, because when the goods are ready to go forward the cheaper route may not be open, or it open, not available at the moment, and then, if the rate has been based entirely on the cheaper route, and without any consideration of

the alternative route, it may happen that the profit on the transaction will be nil. Such a contingency must be foreseen and appreciated, especially in troublous days when conditions alter frequently.

For example. To arrive at the total cost per ton net for putting cocoa free on board the export ship at Liverpool by the water route—*i.e.*, by sending the goods from Bristol to Liverpool by a coastwise carrier—you must add together the various charges in this way:—

	Per ton, s d
Bristol hauling (<i>i.e.</i> , carting the goods from the factory to the coastwise steamer)	4 6
Bristol dues	4 6
Shipping	32 6
Freight	7 6
Delivery to steamer at Liverpool	49 0

Be Careful of the Tare. This gives you a total of 49s. per ton, but what you have always to bear very carefully in mind (for the point is sometimes overlooked) is this—that is the charge per ton which you will have to pay on the *gross weight* of the consignment, so that to get at the actual cost per ton *net* you must know what the tare is, that is to say, you must know what will be the weight of the packages and packing to be used for the protection of the goods—and add to the total arrived at in the manner shown above the cost of covering this additional weight, reckoned, of course, at the rate per ton so estimated. Thus, assuming the weight of the packages and packing of a ton of cocoa to be 10 cwt., to arrive at the cost of conveyance of the commodity itself you would increase your rate by 50 per cent., which in the foregoing instance would be 24s. 6d., making a big total of 73s. 6d., or plus the Liverpool outwards dues, which are charged on the net weight of the goods, 75s. 4d.

Thus	Per ton s d
As already estimated	49 0
Plus tare 10 cwt. at	24 6
	73 6
Plus Liverpool dues at 1/1 and 75 %	1 10
	75 4

To arrive at the total cost by the alternative (rail) route you must proceed in precisely the same way, adding together the different charges, and then increase the total so arrived at by a proportionate sum for the carriage of the packages and packing, thus:—

	Per ton s d
Rail charge, Bristol to Liverpool	50 7
Delivery to steamer	7 6
	58 1
Plus tare (say) 10 cwt. at 58s. 1d.	29 0
Plus Liverpool outwards dues	1 10
	88 11

ADVICE NOTE

Messrs. WILSONS & NORTH EASTERN RAILWAY SHIPPING CO., Ltd., Sender's Address

HULL

19

Dear Sirs,

We have to-day despatched to your address the following Goods which please ship as directed.

Yours truly,

Per Railway Co., Carriage
 War £ and charge to shipping expenses to be charged to and freight to
 Insure for Marine £

MARKS	NUMBERS	DESCRIPTION OF PACKAGES	CONTENTS (to be fully stated)	VALUE	NET WEIGHT cwt. qrs. lbs.	GROSS WEIGHT cwt. qrs. lbs.	YARDS	CONSIGN TO (Christian and Surname and Full Address)

Original B/L to be sent to

State here whether the Goods are Produce of Manufacture of the United Kingdom, or Foreign Goods, or Colonial Goods.
 If Foreign or Colonial, state here the Country whence Goods were consigned when Imported.
 State here the final destination of Merchandise as distinguished from Port of Discharge of Ship.

I of solemnly and sincerely declare the above particulars to be true and accurate and that I have made all necessary enquiries in order to satisfy myself as to the ultimate destination of the Goods, and that they are not intended for consumption in or transit through an enemy country, and that to the best of my belief the person or firm for whom the Goods to which this shipping advice relates are ultimately destined is not a person or firm who is an enemy or treated as an enemy under any Law for the time being in force relating to trading with the enemy, and hereby authorize you to make the necessary declarations before the Customs Authorities on my behalf.

Signature of Declarant

All Goods requiring shipment are received and carried subject to the conditions of the Wilsons & North Eastern Railway Co's Receipts and/or Bills of Lading, and also to the conditions relating to the carriage of goods by Rail, Road, or Canal, and all Goods are at the risk of owners until actually shipped on board the steamer.
 R.R.—Full particulars as indicated above, should be given; the exact details being required by the Customs Authorities.

(1458) See pp. 1470 and 1471

How to Arrive at a "C.I.F." Freight Rate. Suppose, on the other hand, you are asked to quote a "c.i.f." price, or as it is sometimes written "c.i.f." and pronounced "sif"—a price, that is to say, to cover the cost of the goods, the insurance of them en route, and the freight (or shipping company's charge for conveying them to the port of discharge abroad)—in other words, suppose you are asked to quote a price to include everything up to the time the goods are delivered alongside the quay in Kingston. You have seen how to get at your "f.o.b." price, so that all you have to do is to add to that price the shipping company's freight rate. Thus—

	s	d
The cost to Liverpool per rail, as per example No. 2 above (less the tare, as this must be reckoned on the total shown below)	58	1
Freight rate 60s. plus 20 %	72	0
	130	1
Plus tare, 10 cwt. at 130/1	65	0
	195	1

There are other charges besides these to be reckoned—small charges for passing the Customs, entry, for the bills of lading, etc.—but as these are made on each consignment and not on the tonnage they obviously cannot be included in the above calculation.

In the foregoing examples we have assumed that the shipper is a Bristol manufacturer, and he would in all probability know the local rates for carting (or "hauling") in that city. The "Bristol Dues" he could ascertain from the dock company's authorised ruler, and the charges for "shipping" and cost of conveyance from Bristol to Liverpool coastwise—the "freight" rate, that is—could be got from the coastwise carriers themselves, whilst the rail rate is obtainable from the railway company. Similarly, the shipping company who will convey the goods from Liverpool abroad will quote a freight rate on request, and specify (if necessary) the charge for bills of lading and any other service desired to be rendered in connection with a shipment. But more of this later.

Arranging the Dispatch of the Shipment. We will assume that your tender for the supply of 100 tons of cocoa to a buyer in Kingston (Jamaica) has secured you the order, and that you have now to arrange for its shipment to that port with the least possible delay. You will first of all consult the "Weekly Shipping List" to find out what sailings there are in the near future to Kingston, and then you will write to the shipping agents, whose name you will see recorded there, and ask that the requisite space be reserved for you in that particular vessel. It is as well—especially in these days when advertised sailings are so likely to be cancelled or altered one way or the other, put back or forward—to ask the shipping agents, when writing, to confirm that the next "opportunity" (which is what a sailing, in shipping circles is familiarly termed) is the "s.s. so and so" notified in the "Weekly Sailing List" to be leaving Liverpool (or whatever port it may be from which it is proposed to ship the goods) on the date given therein. You should enquire at the same time where (i.e., in what dock) the vessel is loading,

and—if you do not already know this—to what station and wharf the goods should be consigned; also what is the "closing" date—that is, the latest date on which the vessel will receive cargo—as outward bound vessels invariably close their hatches a day or so before they actually leave the port. And when writing to the shippers you must obviously state what the consignment you wish to ship consists of, where it is destined for, how it is—or will be—packed, what is the weight and measurement of each package, how the goods are to be forwarded, i.e., "f.o.b." or "c.i.f." and (this is a very important point) verify—*if* the goods are subject to any restrictions on the "Prohibited List"—that you have applied for and have secured a Government licence for their exportation abroad, for without this latter, if the goods are on the prohibited list, the shipment cannot under any circumstances go forward.

When replying, the shippers will forward you an "Advice Note" (see inset specimen) for the supply of essential details, and this you should at once proceed to fill in and return to them, as by the aid of this information they are able to proceed in the matter on your behalf. This document is really self-explanatory, but some notes in connection with the terms included thereon will be given later on.

Make Sure of Your Transit. Your next task is to make sure of your transit—that is to say, if your goods are to go to Liverpool by railway, you must give due notice to the railway company that you have the consignment to forward, so that they may make arrangements for its conveyance. In ordinary times, of course, little or no difficulty is likely to arise in this connection, but if you leave it till the last thing before you acquaint the railway company that you have traffic for Liverpool (or London or any other of the chief ports), you may (nay, you probably will) find that there is an embargo on it and—*you* will miss your sailing. But if you consult the railway company early it is possible that by pre-arrangement—(especially is this the case with shipments of one ton and upwards)—the traffic will be "authorised," that is, allowed to go forward for shipment by the intended vessel. You cannot be too careful in making your arrangements well ahead and very fully and precisely, for the conditions alter frequently, and unless you do exercise foresight it may be many days—and perhaps weeks—before your parcel is accepted. Also, sometimes the conditions obtaining at the docks are those of acute congestion, and this makes it imperative for the railway companies to forbid traffic to be sent forward unless authorised.

How to Pack for Abroad. Here are some notes on packing which will be useful as a general guide. Goods intended for conveyance by sea must naturally be far more securely packed than if they were merely going from one place to another by railway. Thus, dry goods and goods of that kind should be packed in oil-paper-lined cases, and under ordinary circumstances this is quite sufficient to protect them from damage by salt water or risks of this description, but for such goods as artificial feathers, gummed labels, silver plate, valuable furs, and articles of this class tin-lined cases must be used, being soldered down and thus made absolutely watertight. And cases containing valuable goods must also be wired and sealed, with lead seals, in accordance with the requirements of the steamship company where the packages

are going to. Such goods as kid gloves, which spot and deteriorate considerably if any moisture is in the case, must be packed separately, and the package in which they are placed made not only watertight, but airtight also.

Glass and china should be packed in straw in barrels or casks, as they carry better that way, whilst bicycles should be packed in crates, with handles and outstanding features of the kind removed and tied on to the body of the machine, so that the whole does not measure more than is absolutely necessary.

With regard to motor cars and bulky things of that kind, these are a special feature altogether, and involve the building up of the case around the car. In the packing of these great care should be taken to have the weight properly and evenly distributed in the case, and the car made immovable inside the case, so that when it is slung it cannot shift.

Packing goods for shipment abroad and "squaring" them so that there is no waste of space in the package is, as a matter of fact, an art in itself, and it is usual with very many houses who know the value of space to employ a skilled packer or firm of packers to pack their goods; they have special plants for the purpose. One London firm, for instance, have special machinery for sucking the air out of tin-lined cases before soldering them down, thus removing any chance of damage en route, and they have also press packing machines whereby bales of stuff may be built up on the floor, squeezed into specified sizes, covered with canvas wrappers, then bound with hoop iron bands, and so made perfectly secure and easy to handle, and the cost of conveyance considerably reduced.

If You are on the Spot. Thus far it has been assumed that the shipper—the manufacturer—has no establishment of his own at the port of shipment and that in consequence he has had to engage a shipping agent at that port to effect his shipments for him. If, however, the shipper has his own place of business or a branch office at the port of shipment he would naturally wish to do his work, completing all the formalities and carrying through the whole transaction himself instead of employing someone else to do it for him. At this point, therefore, we will detail the procedure which would have to be followed in such a case.

Having your goods already on the spot, that is at the port of shipment, by reason either of the fact that your factory is there or that being elsewhere you have taken all the necessary steps previously defined to get them there, it becomes your own business to effect the shipment. Being on the spot you are not under the necessity of writing to different shipping companies to find out what are their facilities; these folk can be seen personally, freight space booked with them by the most prompt and convenient steamer, and your rate of freight agreed upon.

Make Out a Shipping Note. You will then make out your shipping note for the goods. In principle you can—at you choose—make out a shipping note of your own, but in practice the shipping companies provide free of charge their own individual shipping notes which they have prepared, some with printed conditions setting out their liabilities and freedom from liabilities, and they usually insist on shippers using these notes.

With many shipping companies it is necessary to present the shipping note at their office to be

initialled by them as an instruction to the wharfinger to receive, guaranteeing that the space is booked and that it therefore is in order to deliver the goods, and it is always wisest to get the shipping note so initialled before the goods are sent to the dock, otherwise the goods may be refused by the wharfinger or your carts may be held up and delayed, resulting in extra cartage charges, for which you have not provided.

Having got your shipping note initialled and satisfied yourself by enquiry that the shipping company are actually receiving goods on the quay, whether the steamer is actually at the berth or not, assuming that you have not your own carts you instruct some carter whom you engage to do this class of work to collect the goods from the railway or factory, or from whatever depot they are lying at, and to deliver them to the loading shed.

For this purpose you must give him the railway advice note, or delivery order on your works or depot, by virtue of which document the carter can obtain possession of the goods, also the shipping note previously referred to, so that the carter may know exactly to which shed and to which dock he has to proceed in order to deliver the goods.

Obtain a Receipt. The wharfinger at the dock, that is the servant of the shipping company who is responsible for the receiving, checking and recording, and eventually loading into the steamer of all goods sent down for shipment, will, after he has taken his records and retained one half of the shipping note, give back to the carter the duplicate half of the shipping note duly signed as an acknowledgment of receipt of the goods.

If the goods are such as have to pay freight on a measurement basis, i.e., at so much per ton or 40 cubic feet, the wharfinger will have the goods measured up and the actual measurements inserted either on the receipt or on a separate slip for delivery to the shipper.

How and Where to Obtain an Export Licence.

—If the goods are subject to Government prohibition of export it does not mean that under no circumstances may they be shipped, but that they must not be shipped unless and until a licence to do so has first been obtained from the Import and Export Licensing Section, Board of Trade, 22, Whitehall Place, Westminster, S.W. Forms of application for these licences are obtainable from the local Customs House. This application should be sent to the address stated and in about seven to ten days, providing the Government have no objection to the export, you will receive your licence.

Customs Formalities. The export of all licensed goods must be "pre-entered" at the Customs House, that is to say, that, as distinguished from unrestricted goods the entry of which at the Customs House may be effected after the steamer has sailed, prohibited goods must be entered before being sent to the dock, and the Shipping Bill duly signed by the Customs House at port of shipment as indicating that they have had presented to them the necessary licence, must be in the hands of the Customs Examiner at the dock before the prohibited goods in question will be accepted on the quay.

In the case of goods the export of which is not prohibited, as stated, the entry at the Customs may be made any time up to within six days of the actual clearance of the steamer, and if the goods in question are not subject to Excise Duty they

No Cargo received on the Quay after 5 p.m., except on closing nights

**FREDERICK LEYLAND & COMPANY, LIMITED,
WEST INDIA AND PACIFIC DESTINATIONS**

LOADING BERTH SOUTH SIDE CANADA DOCK No. 1 BRANCH

No. LIVERPOOL, ...19...

RECEIVED from for shipment

on board the steamer.. for

subject to the following terms, namely—

That the conditions expressed in the Bills of Lading, specially printed for the Company, are those agreed to between the Shipper and the Company, upon which the Goods herein specified are received by the Company, and are to apply to this Receipt as if set out at length upon it. The Goods while waiting Shipment whether on the quay, in lighter or elsewhere, are at the risk of the Shipper in respect of all loss, damage or injury of whatever nature and however caused. The Company to have liberty to convey the Goods in Lighters alongside steamer when lying in the Mersey at ship's expense but Shipper's risk. The Shipper further agrees to complete the necessary consular documents in time for the Steamer's clearance, failing which, the Company are to be at liberty to clear without them, and land the Goods at another port if necessary; all losses and expenses incurred thereby to be borne by the Shipper. The Company will not be responsible for silk goods, specie jewellery, plate, watches, stones or metals or other valuable or hazardous articles, unless the contents are so described in the shipping note, and freights specially agreed for at the office.

DANGEROUS GOODS.—Goods of a dangerous nature can only be taken under a special agreement, and parties shipping any such Goods without such agreement will be held liable for all consequences arising therefrom. Special attention is directed to the 446th Section of the Merchant Shipping Act of 1884.

All Goods must have the Port of Destination distinctly marked upon them, by the Shippers, in letters of not less than two inches in length, or the Company are free from all responsibility as to correct delivery.

WHARFINGER.

This receipt to be sent to the Company's Office with the Bills of Lading, and Goods for one Port only to be entered on it.

WEIGHT AND CONTENTS UNKNOWN.

Port of

SHIPPING BILL FOR DRY GOODS AS MERCHANDISE
WET

UNDER INLAND REVENUE BOND.

UNDER CUSTOMS BOND.

Collection

Warehouse

District—

Station—

Number

Date

Month and Year

19

Export }
Ship }

Master

for

Entered Outwards

Bond given

Station

Lighterman

Conveyance

Carman

Exporters.

Shipping Marks and Numbers.	Final Destination of Goods.	Number of Packages.	Description of Packages.	DESCRIPTION AND TOTAL QUANTITY OF GOODS.	Country whence Goods were consigned when imported.	Value.
					ENGLAND	
					Officer.	
					Date.	

*Strike out
words in
Italics if not
required.

We declare that the quantity, description, and value of the goods entered in this
Shipping Bill, correctly stated, **and we claim Drawback on*

Clerk to

Exporter or Agent.

Received the above mentioned Packages on Board
this Ship, 19

Master or Mate.

Countersignature of
Officer of Customs.

Particulars of Examination }
and Certificate of Shipment }
to be inserted here.

Export Examining Officer.

N.B.—The Lightermen or Carmen are particularly required to give immediate notice to the Export Examining Officer if any
of the above-mentioned Goods be shut out of the Vessel, and on no account to take them to any other Ship than the one
above-named without his permission.

[SHI

re Penny Ltd. on board the
" " now lying in LONDON, the
bed in the margin of this Bill of Lading to be conveyed and
wards Ltd. or his or their
meraria
herein expressed

or Vessels, and all Vessels to have liberty, before or after proceeding towards the port
out of, or beyond the route to the said port or discharge) once or oftener, in any order,
soever, and all such ports, places and sailings shall be deemed included within the
then or printed and whether descriptive of the voyage or otherwise. Also to have
owed, and to assist vessels in all situations, even if such be an ordinary act of towage
of her captain, or ordered by the Owners, including also in this authority liberty to
ading shall continue to apply although the vessel may have deviated from the contract
of law to the contrary notwithstanding.

their experience,
extent, and thus
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endeavouring to
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destination into

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or surrender to
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need, possession
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goods, and this
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rebates to the
companies in
roviding for a
to be granted
ges if necessary
ords of all his
the time arrives

perfectly reasonable in principle, but, unfortunately
for the shipper, shipping companies have continued

he can lodge his debit note against the shipping
company and collect the amount that is due to
him. If the rate on a particular consignment is

would be declared on specially approved forms (obtainable from most commercial stationers) in which the provision is made for declaring—

- Origin of goods (British or foreign).
- Port of shipment.
- Date of shipment.
- Name of steamer.
- Description of goods.
- Weight and f.o.b. value.
- Final destination of goods.

In conjunction with the entry of the goods at the Custom House the harbour by-laws of most ports make it necessary for a somewhat similar entry to be made to the harbour authorities, and while the by-laws impose a fixed schedule of harbour dues and charges the returns should be made and the said charges paid immediately after shipment.

For simplicity in office routine it is usually found most satisfactory to discharge both the foregoing applications with the Customs formalities and the payment of the necessary dues to the harbour authorities at the same time. (See also CUSTOMS FORMALITIES.)

How to Prepare and Lodge Bills of Lading.

Having delivered your goods to the dock and obtained a receipt from the wharfinger in the manner described, you have next to prepare the bills of lading.

As in the case of shipping notes, so also in the case of bills of lading, the different shipping companies almost invariably have their own special form. Originally, a bill of lading was a comparatively simple document framed, as in its essence it always must be, to provide a proper and legal acknowledgment by the shipping company of the receipt of the goods entrusted to them for safe carriage and embodying an undertaking on the part of the shipping company to carry the goods to a specified destination, there to deliver them in the same good order and condition as when received at port of shipment, specifying also whether the freight is paid at port of shipment, in which case the consignee at destination obtains free delivery, or whether the freight is to be paid at destination, in which case the consignee must pay freight before he can get the goods.

Assuming that the goods have been sold c.i.f. terms naturally you would pay your freight at port of shipment, and as a matter of fact, most shipments from the United Kingdom abroad provide for payment of freight in advance. Here we may mention, however, that on homeward shipments it frequently happens that shippers abroad send goods forward with freight to be paid at destination, that is in the United Kingdom, and if such goods have been sold c.i.f. London, Liverpool, or other U.K. port, the foreign seller would meet his obligation by allowing from his invoice price a deduction equal to the amount of the freight which the English c.i.f. buyer will, according to the bill of lading, have to pay before he can obtain his goods.

Shipping companies have always included on their bills of lading certain conditions which qualify their obligations under the general text of the bill of lading and which except them altogether or under specified circumstances from certain liabilities which are particularised. This is perfectly reasonable in principle, but, unfortunately for the shipper, shipping companies have continued

to introduce new clauses, based on their experience, freeing them to a greater and greater extent, and thus imposing upon the shipper or consignee the necessity of taking certain risks himself, or endeavouring to get somebody else to accept the risks which the shipping company excepts, for which consideration he has, of course, to pay.

The bill of lading forms are usually printed and sold to the public by stationers appointed by the respective shipping companies, and can be purchased both plain and already stamped.

Having filled up the bills of lading, which in order to comply with British Revenue laws must bear a sixpenny stamp, and which are usually taken out in either duplicate or triplicate, according to the customer's or banking requirements, they must be lodged with the shipping company and accompanied by two or three plain copies in accordance with the shipping company's requirements and also accompanied by the wharfinger's receipt, which latter the shipping company will retain, because they will give you, in the signed bill of lading, a document which accepts the same liability as the wharfinger's receipts—and a great deal more besides.

In filling up the bills of lading the shipper's name, consignee, the shipping mark, port mark, and number of cases, the contents, weight or measurement must be shown, also the rate of freight and the actual amount of freight to be paid must be calculated and inserted.

If the buyer of the goods happens to be a British merchant who has in turn sold to a foreign buyer, it may be true that he will as a matter of business policy, object to his foreign buyer becoming aware of the original and actual suppliers of the goods. To meet this objection, it is a simple matter for you to endorse the wharfinger's receipt, which is made out in your own name, and make out the bill of lading, showing the British merchant who is your customer as the shipper, thus leaving your own name out of the document altogether.

For similar business reasons it may not be desirable that the supplier should know who is the ultimate consignee and it is therefore usual to consign the goods shown on the bill of lading to the "order of" the shipper, so that by the simple endorsement in blank of the bill of lading, it becomes a negotiable document at destination into whose hands it may fall.

So much as to the preparation and lodgment of the bills of lading.

When the shipping company know by their returns from the dock that the goods in question have actually been put into the steamer they will sign the bill of lading and hold it for surrender to you against payment of the freight due on the shipment. When you have obtained possession of the bill of lading you hold a proper legal document proving the shipment of the goods, and this document forms the only means whereby delivery of the goods from the steamer at destination can be obtained. (See BILL OF LADING.)

Freight Rebate.—A word as to rebates: the very general practice of shipping companies in framing their tariff freights, of providing for a rebate of a percentage of the freight to be granted to the shipper at a later date, makes it necessary for the shipper to keep correct records of all his freight payments so that when the time arrives he can lodge his debit note against the shipping company and collect the amount that is due to him. If the rate on a particular consignment is

SPECIFICATION for British and Irish Goods only

PORT OF LIVERPOOL.

Ship's Name

Master for

Date of Final Clearance of Ship

The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the Ship, as required by the Customs Laws

Marks	Nos.	Number and Description of Packages	Quantity and Description of British and Irish Goods in accordance with the requirements of the Official Export List	Nett Weights or Quantities	Value •(f o b)	Final Destination of the Goods.
				Cwts Qrs Lbs		
* The "F O B"				Total ..		

I declare the particulars set forth above are correctly stated,

(Signed)

Exporters.

Dated

Counter-signed

.....
Officer of Customs.

(Address)

Per

$$\vdots$$

For
Exporter
Address

Name and address of Corporate
Body or Person on whose
account Rates are paid

MARSH AND ZIMMER

Tons	Cwt	Lbs	Total Dock and Town Docks
10	10	10	10
20	20	20	20
30	30	30	30
40	40	40	40
50	50	50	50
60	60	60	60
70	70	70	70
80	80	80	80
90	90	90	90
100	100	100	100
110	110	110	110
120	120	120	120
130	130	130	130
140	140	140	140
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340	340	340	340
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950	950	950	

TOTAL DOCK
AND
TOWN DOCK

Computed by	_____
Examined by	_____

19

Identification	Number	Sex	Age
Indica	1	♂	1
Indica	2	♀	1
Indica	3	♂	1
Indica	4	♀	1
Indica	5	♂	1
Indica	6	♀	1
Indica	7	♂	1
Indica	8	♀	1
Indica	9	♂	1
Indica	10	♀	1
Indica	11	♂	1
Indica	12	♀	1
Indica	13	♂	1
Indica	14	♀	1
Indica	15	♂	1
Indica	16	♀	1
Indica	17	♂	1
Indica	18	♀	1
Indica	19	♂	1
Indica	20	♀	1
Indica	21	♂	1
Indica	22	♀	1
Indica	23	♂	1
Indica	24	♀	1
Indica	25	♂	1
Indica	26	♀	1
Indica	27	♂	1
Indica	28	♀	1
Indica	29	♂	1
Indica	30	♀	1
Indica	31	♂	1
Indica	32	♀	1
Indica	33	♂	1
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Indica	36	♀	1
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Indica	38	♀	1
Indica	39	♂	1
Indica	40	♀	1
Indica	41	♂	1
Indica	42	♀	1
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Indica	69	♂	1
Indica	70	♀	1
Indica	71	♂	1
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Indica	73	♂	1
Indica	74	♀	1
Indica	75	♂	1
Indica	76	♀	1
Indica	77	♂	1
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Indica	80	♀	1
Indica	81	♂	1
Indica	82	♀	1
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Indica	86	♀	1
Indica	87	♂	1
Indica	88	♀	1
Indica	89	♂	1
Indica	90	♀	1
Indica	91	♂	1
Indica	92	♀	1
Indica	93	♂	1
Indica	94	♀	1
Indica	95	♂	1
Indica	96	♀	1
Indica	97	♂	1
Indica	98	♀	1
Indica	99	♂	1
Indica	100	♀	1

Those in charge of goods should protect them from loss, damage or injury, and special care is necessary in the case of goods susceptible to taint or stain.

scheduled at 70s per ton, plus 20 per cent, less 10 per cent, deferred rebate, this means that at the time of shipment 70s, plus 20 per cent, must be paid with a proviso that if the shipper confines his shipments over a certain period, usually six months, to the same line or conference of lines he shall receive back 10 per cent. of the 70s, after that period has elapsed.

With heavy shipments the amount from rebates of this nature is naturally very substantial. Hence the necessity for a reliable record of rebate eventually due.

How to Effect the Insurance. Having discharged your chief liability, that is to say, having shipped the goods and obtained the most important document, viz., the signed bill of lading proving the shipment of the goods, you, being a c.i.f. seller, have still something more to do. You have undertaken not only to ship the goods, freight paid, to the specified destination, but to include also the insurance and you must therefore insure the shipment and add to your bill of lading another document, viz., an insurance policy, proving that you have discharged this liability also.

In practice it is desirable that the requirements of insurance should be considered before the goods are actually sent down to the boat, the rate of premium arranged and an order for the insurance definitely placed with an insurance company of standing, or with Lloyds in London. Such insurances can be transacted either direct with the companies who have offices in the larger ports, the biggest business being done in London, Liverpool and Glasgow, or through an insurance broker whose business it is to be fully acquainted with the best, i.e., the cheapest markets.

There are varying conditions upon which goods can be insured and what the shipper would have to do may have already been determined by the terms of the sale contract, that is to say, some contracts specify that goods are sold "Cost, Freight and Insurance," the latter to be ("free of particular average" or alternatively "with particular average") for invoice amount, plus 10 per cent. If such provision is made in the contract, the duty of the shipper is simple. The margin, usually 10 per cent., but sometimes more, over and above the invoice value of the goods, is to cover contingent loss of profit or inconvenience to which the buyer might be subject in the event of the shipment being lost.

The best terms of insurance are those known as "W.P.A.," meaning "With Particular Average," and the shipper or consignee holding a policy of insurance on these terms is able to obtain recovery for any loss, total or partial, arising from perils of the sea as defined in the policy of insurance and which will be found to be largely identical with the chief perils which the shipping company repudiated on his bill of lading.

If goods are only insured f.p.a. it means that under such a policy the insuring company is free of any claim arising from partial loss through sea-water damage, or from any other cause except the ship shall have been on fire, or shall have stranded, or shall have been in collision.

With certain goods of a brittle, frail or delicate nature rendering them liable to breakage when handled, or en route, or with goods of an attractive or valuable nature which renders them amenable to robbery and theft, these further risks, not included in the category of "Perils of the Sea,"

should be considered and provided for. The requirements of the extra risk included in the insurance must be specified when arranging the insurance with the underwriters, and if the underwriters are willing to accept this extra risk they will fix their rate of premium accordingly.

Now that the war risk is held to be an almost negligible risk, war risks insurance generally include, and shippers should see that their war risk covers always do include, what is known as the Strike, Riots, and Civil Commotions Clause, under which the shipper is protected in the event of damage arising as a result of these contingencies. With the general unrest not only at home but abroad, the protection given by this clause is of great potential value.

Invoicing the Goods and Obtaining Payment.

Having now got your bill of lading proving shipment to destination required by your contract, and your insurance policy proving due insurance of all the risks required, you must next make up your invoice to your customer, and, with certain qualification, which will be mentioned hereafter, your documents will then be complete. And having fulfilled all your obligations you will naturally begin to consider the fulfilment of your buyer's obligations to you, and these can only be executed in one way, i.e., by paying the sum agreed upon for your goods and services in accordance with the terms of the contract.

If, on the other hand, the buyer is a British merchant, it is very likely that the contract has provided for cash against documents, usually abbreviated "C.A.D.," or, if the relations of both parties to the transaction are so good as to warrant it, or if the custom of the particular trade is such, it may be cash in 7, 14, or 28 days after delivery of the documents.

Or, if the consignee at destination is the buyer, naturally the shipper does not want to wait for his money until his documents and goods have reached their destination, and the consignee has had time to send back the remittance. Business requirements demand much more simple and prompt financial facilities. A method commonly adopted is for the foreign buyers to authorise an English bank (through the medium of their own local bankers) to meet the seller's sight draft on it, providing it is accompanied by the complete documents fulfilling the terms of the contract of which the said English bank will have been apprised. It does not follow that the cash actually passes from one country to another for similar transactions necessary in regard to imports into England make it possible for the bulk of the credits and debits to be set off against each other in the accounts between the respective banks.

The bank having met the shipper's draft and obtained possession of the documents will remit them abroad for presentation to the consignee against his payment, holding a lien on the goods until the cash equivalent comes back into the bank's coffers. By this means the seller does not stand out of his money by having to wait for it after he has completed shipment, and the buyer does not have to stand out of his money by having to pay for the goods before they arrive. The bank, of course, make their profit by providing the facilities for these convenient operations.

Another method is frequently adopted of allowing credit to the customer as well as at the same time not imperilling the position of the seller; where

the buyer, either in England or abroad, requires not only that the goods shall have arrived before he has to pay his money, but that he shall have had a chance of disposing of them, or some of them, and pay for them out of the proceeds of his sale, or, in other words, in cases which are not infrequent, where firms trade with very little floating capital, a long credit is essential. Now the seller, providing, as is usually the case, he concentrates his capital on manufacture and not on financing, cannot accept conditions which would involve his being put out of his money for two or three months, more especially as this would bring about not merely a substantial proportion of idle capital, but would also involve grave risks of his incurring bad debts. To meet such conditions therefore, and to provide both security for the seller and credit for the buyer, an arrangement is made whereby the seller draws a two or three months' bill or draft on the buyer, or on a bank with which the buyer has made the necessary arrangements. If it is on the buyer, then in order to give to it the necessary element of security to make it readily negotiable at a reasonable rate of discount, the buyer must accept it by immediate endorsement of the fact on the face of the bill and specify by name the particular bank at which it will be payable on the date of maturity. The accepted bill goes back to the seller against the surrender of the shipping documents, and he can then immediately discount it at his own bank, getting its present value, *i.e.*, he sells it for its face value less discount at an agreed rate per cent for the period which must elapse before it becomes due and can be presented to the acceptor for payment in full.

These and other varying methods of payment will, of course, have been considered by the seller when making his contract and the particular terms of payment will have been decided upon thereon and must, naturally, be carried out to the strict letter.

Consular Requirements. We stated in a previous paragraph that the bill of lading, insurance policy and invoice completed the shipping documents, except in certain cases yet to be specified. The exceptions are in the case of shipments to countries where a tariff wall has been built up, where protecting duties are imposed, and special machinery has been set up to provide records upon which the import duties shall be based and imposed. For shipments to the United States and to their possessions, for instance, special consular invoices must be prepared at the port of shipment and as the duty is paid on the market value at the time of shipment, irrespective of what the selling price of the particular shipment may be, the local consul of the country of destination is provided by the regulations with the opportunity of verifying the values of the goods, because he is the only official who can complete the consular invoice, a most important document, and absolutely essential in order that the goods may not have an embargo placed on them when they arrive at their destination.

For many of the South American Republics similar consular requirements are in force, with the exception that in many of these cases, not only is a consular invoice necessary, but the countries demand that the consuls here shall put their vise (*i.e.*, endorsement as proof of having sighted) to the original bill of lading for all shipments to the respective countries.

Needless to say, for all of these services which are imposed upon us the consuls make a charge more or less substantial, and the regulations have to be most literally adhered to it inconvenience and penalties are to be avoided.

It must be repeated here again that the shipper's obligation, so far as the preparation and production of the consular document and compliance with the consular requirements is concerned, is also governed by the terms of his sale, whether the contract specifies it or not. If, however, the shipper has sold on contract to a merchant, say, in Chuli on *c.i.f.*, Chuli terms without any reference to consular requirements, it would be incumbent upon him (since the consular documents must be, and can only be dealt with in England, and since the buyer in Chuli has dealt with this shipper direct, having no other representative in England), to provide the consular documents. Of course he could add his expenses in connection therewith to his invoice against his customer.

General Observations. We have been dealing with shipments assumed to have been made by virtue of a British manufacturer having sold goods to a foreign buyer on *c.i.f.* terms. In such a case, the property in the goods passes when the seller has completed all his obligations and tendered the necessary documents in proof thereof. The property having so passed he has no further interest in them. There are circumstances, however, that would make it instructive to consider what happens or may happen to goods during transit and even when they have reached their destination. It not infrequently happens that in order to extend and enlarge the foreign market for his commodities, and to introduce his goods into a territory where there has previously been no demand for them, a manufacturer takes the risk of sending out a shipment "on consignment." He has not been able to get a merchant, established in the particular territory, to take the risk of giving him a definite order for goods, *i.e.*, to buy a parcel outright, but he can find a merchant who will say: "If you like to send me a sample consignment, strictly and absolutely on your own account and responsibility, I will undertake to receive and handle it, to advertise it and do my best to sell it, again strictly and solely on your account, and to remit you the full proceeds after the deduction of necessary disbursements, and after deduction also of an agreed commission as my remuneration." Upon shipments made "on consignment" in this way, a vast amount of our foreign trade has, in the past, been built up, and under such circumstances it will be seen that the English shipper has a very real interest in the goods, in fact, they are to be considered as part of his stock on hand and at risk, just as much as if they were lying in his own factory in England. He will, of course, have satisfied himself that the firm to whom he has shipped goods "on consignment" and in whom he is, therefore, of necessity reposing financial confidence to the extent of the actual value of the goods, is a firm whose reputation and financial standing and integrity is beyond question.

Usually the best step to ascertain the necessary information respecting the foreign firm is to make confidential enquiries through bankers who have agents in the country, or through special organisations which exist for the mutual protection of business houses.

The shipper will naturally be interested in the

goods on their way to destination as the marine insurance, instead of being effected for account of the buyer, is effected for his own protection and security. He will, therefore, consider the movements of the steamer as a matter of interest to him and any accident or mischance which may happen to her is a matter that demands his attention.

We have spoken before of insuring goods on "F.P.A." or "W.P.A." conditions, both of which terms have relation to damage or loss to the identical goods covered. There is, however, a contingency under which while the shipper's goods may be perfectly unharmed, he may be called upon to meet an expense which, if he is not insured, will involve him in a clear loss. The expense to which we refer happens when a steamer, meeting with trouble on its passage in the way of bad weather, or other untoward circumstances, may jettison (*i.e.*, throw overboard) her deck cargo, or even part of her under-deck cargo; or, where having met with some accident, she has to go out of her way to have repairs effected before she can complete her voyage. In such circumstances, a shipper's own cargo may be perfectly intact and undamaged, but the loss of the cargo that has been jettisoned, or the cost of the necessary repairs to the ship, is not held to be a loss "particular" to the cargo so jettisoned or to the ship so repaired, but is a "general" loss, or as it is termed in insurance circles, a "General Average." It is a charge or loss which is incurred for the general security and benefit of the whole of the cargo and ship, and is accordingly refunded by collecting a *pro rata* contribution according to the value from the owners of all the different consignments in the vessel and from the owners of the steamer itself, according to the steamer's value.

Instances are on record where a ship has been in great danger of foundering with mountainous seas, and to save the ship and cargo oil from the cargo has been thrown overboard, which has had the effect of calming the seas and relieving the boat for the time being of the danger that was imminent.

If, therefore, your goods are insured, these liabilities, which would fall upon you under the circumstances referred to, and which you, through your agent, are compelled to meet before delivery of the goods can be obtained, are termed "General Average" claims, and may be recovered from the insurance company covering the goods.

Again, on arrival of the goods at their destination, their condition is a matter of interest and concern to you, and should there be any sign of damage, your agent (in the case of "consignment" goods the consignee simply acts as your agent) must take the necessary steps to obtain independent (usually Lloyds' agent who can be found at practically all ports) and documentary evidence such as will enable you at this side to satisfy the insurance companies of any damage that had occurred and of the extent thereof in terms of cash value.

And lastly, if the goods have safely reached their destination, it is most important that you should make arrangements for their insurance against risks of fire until the time they shall have been completely disposed of. In effecting such insurance, due regard must naturally be had to any increments in the value at risk over and above the invoice or marine insurance value, which may have been brought about by import duties at destination, or by the various other charges which have had to be paid,

and by which the value of the goods is accordingly enhanced.

SHIPPING NOTES.—These are documents which are addressed to the superintendent of the dock where a ship is lying, requesting that official to receive and to ship certain goods named therein. (See SHIPPING GOODS ABROAD.)

SHIPPING RINGS.—A shipping "ring" or "conference" is a combination, more or less close, of shipping companies formed for the purpose of regulating or restricting competition in the carrying trade on a given trade route or routes. The vessels employed by these companies are usually of the class known as liners, *i.e.*, vessels of high class and speed, sailing and arriving at fixed dates advertised beforehand. In addition to mail steamers and passenger steamers, they include vessels which carry cargo only, and are known as cargo-liners. The operations of a conference are confined to a particular trade route, that is to say, the engagements which the various lines enter into with one another only apply to the trade within certain definite areas or between specific ports. A steamship company may be a member of several conferences, but its engagements in one are independent of those in any other. The alliance, then, is not one of steamship companies for all purposes, but only as to their operations within a specified area.

The main objects with which a conference is formed are two. It is formed primarily to regulate competition between the companies with a view to maintaining regular rates of freight. This object is achieved by means of an agreement or understanding between the lines that they will charge the same rates of freight. In certain cases the agreement provides for the apportionment of traffic either by restriction in the number of sailings on the part of each line, or by a division of the ports of sailing, or by pooling some part of the freight upon all, or upon certain portions of the cargo. The second object is to concert measures to meet the competition of shipowners outside the conference. For this purpose the allied companies usually have recourse to the system of deferred rebates, the nature of which is as follows: The companies issue a notice or circular to shippers informing them that, if at the end of a certain period (usually four or six months) they have not shipped goods by any vessels other than those despatched by members of the conference, they will be credited with a sum equivalent to a certain part (usually 10 per cent.) of the aggregate freights paid on their shipments during that period, and that this sum will be paid over to them, if at the end of a further period (usually four or six months) they have continued to confine their shipments to vessels belonging to members of the conference. The sum so paid is known as a deferred rebate. In order to obtain the rebate due to him, a shipper has to make a statement on a form of claim prescribed by the conference lines to the effect that he has complied with the conditions of the rebate circular, and, in the case of most conferences, this statement has to be sent within a prescribed period to the shipping company from whom the rebates are claimed. If a shipper has shipped goods by more than one company in the conference, he claims from each of those companies the amount of rebates due upon his shipments in each case. The rebates are usually paid by the individual members of the conference, and not by the conference as a whole. The methods by which

the rebate system is enforced vary in the different trades. The system imposes a continuous obligation upon the shipper to send his goods by the conference lines. The shipper does not by contract, expressed or implied, bind himself to send his goods by the conference lines, but for the shipper who has sent goods by the conference lines there is, unless he chooses to cease shipping altogether, for a considerable period, no day in the year on which he is free to ship by "outside" vessels, save by foregoing his rebates. The cardinal principle of the system is that a shipper, who during a particular period ceases to confine his shipments exclusively to the conference, loses his right to the rebate, not only in respect of goods shipped during that period, but also in respect of goods shipped during the previous period.

The system of conferences, enforced in nearly every case by a rebate tie, has been extended to many trades and over a wide area. The regular outward trades are conducted under it with but few exceptions, and large branches of the homeward trade come under its control, but there are, in particular, two great trades in which the deferred rebate is not employed, namely, the coasting trade of the United Kingdom and the trans-Atlantic trade.

Most shipping conferences conduct their business through a central office and staff, to the upkeep of which each member contributes. And in certain cases, more particularly in those of conferences governing the trade homeward from India and the Far East, local committees, consisting of agents of the steamship lines, have a certain discretion to act for the conference in fixing rates and in other matters, their action being subject to review subsequently by their principals at home.

The first conferences in the outward trades, *i.e.* those to India and the Far East, were formed to regulate the carrying trade from the United Kingdom only. They consisted chiefly, though not entirely, of British lines. As Continental lines developed, the necessity of making similar arrangements with them for the regulation of competition became apparent in these and other trades. In cases where conferences already existed, this international competition, or the fear of it, has led to the extension of the conference system to cover Continental trade. In other cases it is to foreign competition rather than to competition between British lines, that the original establishment of the conference has been due. In these cases, of which the South American trades are examples, the system has been applied from the outset to Continental as well as British trade. The agreements which the parties have made with one another have taken various forms. In some cases, as, for example, in the South American trades, the Continental lines are members of the conference. In others, as, for example, in the South African trade, separate agreements have been made with them; but, whatever form the agreement has taken, it has generally been based upon: (1) A division of area; (2) a consolidation of rebate systems, under which the same rebate conditions apply to the trade not only from the United Kingdom, but also from the Continent; (3) an agreement or understanding that the same rates are to be charged on similar goods from the United Kingdom and the Continent.

In most conferences the only penalty which a disloyal shipper suffers is the loss of rebates; and this penalty is not a continuing one. A shipper,

that is to say, only forfeits his rebates in respect of the prescribed period. If, when a new period begins, he elects to ship exclusively by the conference lines, he can, by fulfilling the conditions of the rebate circular, claim rebates on shipments during the new period. To the general rule that all shipments must be sent by conference boats, there are certain exceptions depending upon either the nature, or amount of the cargo, or the means of transport used.

It is asserted by the shipowners that the system of conferences and deferred rebates ensures fixed and regular sailings, first-class vessels, stable freights, and other advantages, and that shipowners would not, and could not, give shippers and merchants these important advantages, unless there existed what is described as "a guarantee of custom," by which term is meant a security that the only ships employed in a trade shall be those of the conference lines. On the other hand, it is urged by those who object to the system, that it places the shipowners in possession of a monopoly, and thus gives them the power of charging excessive freights, as well as other powers which are liable to be abused to the injury of British commerce.

It has been suggested that by combination shippers have ready to hand a means of providing an effective alternative to the service of conference lines. Such combinations, when formed, might either themselves own and conduct a regular service of steamers, or might invite an outside firm of shipowners to supply a service for them under contract. Combinations of the former kind, are, however, difficult to form. The jealousies and divided interests of merchants, and the fact that they may be scattered over the country, have usually, in the past, been sufficient to prevent them from taking common action. Combinations of the second kind have also, probably for similar reasons, generally been unsuccessful.

The chief advantages claimed by the advocates of shipping conferences and of the deferred rebate system may be classified as follows: (1) Improvements in service by (a) the institution and maintenance of regular sailings and stable rates of freight, (b) the provision of steamers of high class and speed; (2) economy in cost of service; (3) more economic distribution of service; (4) the maintenance of equal rates from the United Kingdom and the Continent; (5) uniform rates of freight to all shippers, large or small; (6) no carriage on ship's account.

In November, 1906, a Royal Commission was appointed to report on shipping rings, and made the following recommendations: All that was required to check abuses of the conference system was that the shippers and merchants in a given trade should form themselves into an association, so that they might be able to present a united front to the conference when any controversy arose. The general grounds on which the Commission recommended this were as follows:—

1. There is a community of interest between shippers and shipowners as a whole, though the interests of particular shippers and those of the conference may be divergent. It is desirable that shipowners, in any action which they may take, should ascertain, and take into account the collective opinion of the whole trade.

2. There are numerous important questions arising between merchants and shipowners which cannot be properly determined by legislation, and which must be left for settlement by bargaining

and negotiation; but shipowners, combined as they are in conference, possess the great power derived from collective bargaining, a power which in most cases individual merchants and shippers who are not in combination are not able to resist.

3. Most, if not all, the serious abuses to which the system is liable can be remedied by such counter combinations on the part of merchants and shippers, and it is generally undesirable that the State should interfere to remedy or prevent grievances which by a reasonable effort can be prevented or remedied by the persons concerned.

4. Chambers of Commerce are not the bodies to deal with shipping conferences satisfactorily in a matter of this kind.

5. The conduct of negotiations between associations of shippers (or committees appointed by them) and the conference lines would lead to a better understanding between shippers and shipowners, and to the formulation of rules and obligations on either side which would remove friction.

6. The formulation of rules and rebate conditions in this way would give scope to greater variety in dealing with the varying circumstances than any legislation rigidly prescribing the same conditions for all trades.

SHIPPING WEIGHT.—The actual weight, as stated by the shippers, of goods when they are put on board.

SHIP'S ARTICLES.—The agreement entered into between the master and the crew of a vessel, setting out the terms of the contract entered into by the parties as to wages, provisions, etc. Each member of the crew must sign the articles before the commencement of the voyage.

SHIP'S CERTIFICATE OF REGISTRY.—This is the certificate granted by the registrar of the port to which the ship belongs on the completion of all the preliminaries that are required to be carried out on the registration of a vessel. The certificate sets out the name, the build, and the tonnage of the ship, the names of the owner and of the master, and also the nationality of the ship. As to the particulars which are required see the article **BRITISH SHIP**.

SHIP'S CLEARANCE INWARDS.—Upon the arrival of a vessel in port the master reports his ship, his cargo, and his crew at the Custom House, and, on payment of tonnage dues, permission is given for him to unload. When the unloading is completed, and the ship has been rummaged (*qv*), a certificate of clearance inwards is given.

SHIP'S CLEARANCE OUTWARDS.—When a vessel has taken her cargo on board, the outward-bound ship must obtain permission from the Custom House before she can be permitted to sail. Permission is only given when a full account of her cargo has been made and all dues paid. This is called clearance outwards.

SHIP'S HUSBAND.—The person to whom the management of a ship is entrusted by or on behalf of the owner. Any person whose name is so registered at the Custom House of the port of registry of the ship is, for the purposes of the Merchant Shipping Act, 1894, under the same obligations and subject to the same liabilities as if he were the managing owner.

A ship's husband, unless authorised by the owners of the ship, has no power to borrow so as to bind the owners. (See **SHIP MORTGAGE**, ETC.)

SHIP'S MANIFEST.—This is a document giving a formal statement, for the use of the Customs'

authorities, of the ship, her cargo, and the names of the ports to which she is proceeding.

SHIP'S PAPERS.—These usually consist of bills of lading and manifest. A bill of lading is taken out for each consignment shipped, and shows marks, numbers, and number of packages, description of goods, weight or measurement, rate of freight and amount of freight to be paid on the consignment. (See **BILL OF LADING**; **SHIPPING GOODS ABROAD**.)

A manifest is actually a summary of the bills of lading, and is a full list of cargo carried by the steamer. The manifest which is sent by the agent at port of loading to agents at destination bears the amount of freight for each consignment, and totals of the weight and amount of freight are made. A copy of the manifest is sent to the wharfinger for his use in the delivery of the goods. This does not bear particulars of freight.

SHIP'S PASSPORT.—This is a document which is given to and must be kept in the possession of the captain of a neutral vessel in time of war. It is, in fact, the authority under which a vessel is allowed to proceed on its voyage and it also proves its nationality. The document must give a full description of the vessel, the cargo, the crew, the names of the owner and of the captain, the port of registry, the port of lading, and the port of destination.

SHIP'S PROTEST.—A solemn declaration made upon oath before a notary public (*qv*), giving the particulars of the cause of any injury to the vessel, or damage to her cargo, for the satisfaction of the underwriter. (*qv*). Underwriters sometimes demand this document before adjusting a claim against them, and it then devolves upon the insured to obtain and to exhibit it.

SHIP'S REPORT.—The master of every ship arriving at any port in Great Britain from any foreign port or ports, whether laden or in ballast, must, within twenty-four hours of arrival, report at the Custom House. In the case of vessels which are laden, the form of procedure is for the master to present himself, accompanied by the steamship agent or his representative, and to declare on the report sheet all particulars, that is to say, marks, numbers, description, and consignees (if known) of the cargo carried, together with the port or ports of loading. He must also declare, in the case of a British ship, the official number of the vessel, number of register, and date of registration. These latter particulars will be found on the ship's register. He must also state the number of crew (British subjects and aliens to be stated separately), and the amount of dutiable surplus stores remaining on board, and the number of passengers (British and alien). In the case of a foreign vessel, the same declarations are made with the exception of those relating to the official number of the ship, these not being required. If any wreck, derelict, or any possible danger to navigation has been encountered at sea, if the vessel has sustained any damage, or if any cargo or lives have been lost, the master must duly state particulars of same at time of report. All letters and postal packages (except those exempted by law) must be delivered to the proper authorities, and a declaration to this effect, signed by the master, must be made, under pain of a penalty of £50. The certificate of pratique, which states the particulars relating to the health of the crew and passengers (if any) is also required. In the case of a vessel arriving with Lascars or other

REPORT.

If Sailing Vessel
or Steamer }

Official Number 218

No

Number of Register 978

Port of *Bristol*

Date of Registry *28th Decr.*, 19...

Ship's Name.	Tonnage.	British or Foreign, if British, Port of Registry, if Foreign, Country to which she belongs	Number of Crew		Name of Master, and whether a British or Foreign Subject.	Port or Place from which arrived.
			British Seamen.	Foreign Seamen		
<i>Soluch</i>	1876	<i>British, Bristol</i>	30		<i>J. Ryan British</i>	<i>Calcutta</i>
		TOTAL .. .	30			

CARGO

1	2	3	4	5	6	7
Name or Names of Places where laden in order of time	Marks.	Nos	Packages and Descriptions of Goods, Particulars of Goods stowed loose, and General Denomination of Contents of each Package of Tobacco, Cigars or Snuff, intended to be imported at this Port	Particulars of Packages and Goods (if any) for any other Port in the United Kingdom	Goods (if any) to be transhipped or to remain on board for exportation	Name of Consignee.
If any wreck or derelict was fallen in with, or picked up, or being ob- served, or any casual- ty to the vessel occurred during the voyage, particulars to be stated	<i>S</i>		<i>A Quantity of Iron Ore 2000 Tons</i>			
	<i>Nil</i>					

STORES

Surplus Stores remaining on board, viz. :	Tobacco, Cav	3 lb	Spirits	1 galls	Sundry low duty goods } var
	" O S	lb.	Cordials or Liqueurs	galls	
	" unman.	lb	Perfumed Spirits	galls.	Coal tons
	Cigars	2 lb	Saccharin	oz	Live Stock

Number of Alien Passengers (if any)

Pilots' Names

At what Station Ship lying *Bristol*

Agent's Name and Address *T. Joiner & Co.*

I declare that the above is a just Report of my Ship and of her Lading, and that the particulars therein inserted are true to the best of my knowledge, and that I have not broken bulk or delivered any Goods out of my said ship since her departure from *Calcutta*, the last Foreign Place of Loading

Cancel the following I also declare that I have not landed abroad or transferred out of my said Ship any Coals shipped in the United Kingdom for use on board, except tons, the proper Export Duty on which will be paid within twenty-four hours

(Signed) *J. Ipton,*
her Master. Master

Signed and declared this *20th* day of *Nov*, 19...

In the presence of
(Countersigned)

pro Collector.

APPOINTMENT BY MASTER OF RESPONSIBLE OFFICER TO MAKE REPORT.

Port of *Bristol*

I, *T. Ryan*,
being Master of the ship *Solnih*, which arrived here from
Calcutta, on the *20th Nov.*, 19*...*, do hereby, in
virtue of the power vested in me by the Revenue Act, 1898 (61-2 Vic. cap. 46, sec. 2 (1)), or
appoint* *John Lipton, First Mate*, * Name in
one of the responsible Officers of the said ship, to make, on my behalf, the Report required by the full and
Act 39 and 40 Vic., c. 36, s. 50, holding myself responsible for all his acts in such matter. Rank of
Officer,

Signed *T. Ryan*, (Master)

Signed *John Lipton*, (Nominee).

Signed this *20th* day of *Nov.*, 19*...*, in the presence

of *S. Robinson, Surveyor of Customs*.

(Signature of Witness, who should, whenever possible, be a Commissioned Officer of Customs, or,
failing him, the broker of the ship or his usual and known representative)

THE POST OFFICE ACT, 1908.

M—No 52.

DECLARATION OF COMPLIANCE WITH ACT AS TO DELIVERY OF LETTERS.

I, *T. Ryan*, Master of the *Solnih*,
arriving from *Calcutta*, do, as required by Law, solemnly declare that I
have, to the best of my knowledge and belief, delivered or caused to be delivered, to the Post Office at
Bristol, every postal packet and every Mail Bag, Package
or Parcel of Postal Packets, that was on board the *Solnih*, except such Packets as are
exempted by Law.

Signed by *T. Ryan*, Master.

Dated the *20th* day of *Nov.*, 19*...*

Witness

Postmaster of

This Declaration must be produced to the proper Officer of Customs before or at the time of the report
of the vessel, and the Act provides that if the Master of a Vessel refuses or wilfully neglects to make this
Declaration, he shall Forfeit Fifty Pounds.

Asiatics forming the crew or part of same, a list of these must be handed in.

If the vessel arrives in ballast, a short report form, giving last place of call, together with the same particulars required in the case of a vessel carrying cargo, and with the words "in ballast" written across, must be delivered, in addition to the ordinary papers.

If through any unusual circumstances the master cannot attend at the Custom House to report, he may appoint the senior available officer to do so. For this purpose a form, known as "Appointment by Master to Make Report," is required to be lodged, and the deputy appointed is allowed to certify that the signature on each declaration is that of the master. The deputy must also answer all questions which are asked relative to the ship and her passage. A facsimile of the form referred to above is given as an inset.

If full particulars are known of the ship's departure, and providing that the loading (if any) is proceeded with as early as possible, the ship can be entered outwards by delivering the entry outwards, master's declaration outwards, and victualling bill, or if the vessel is to be intended to be despatched in ballast, master's declaration in ballast.

Facsimiles of the Report and Declaration are given on pages 1481-2.

SHIP'S STORE BOND.—A bond given to the customs by the master or the owner of a vessel when dutiable articles are to be shipped as stores for use on the voyage.

SHIP'S STORES.—These are the provisions which are necessary for the victualling of a ship. As a distinct term used by the customs, the meaning is confined to those articles on board which are liable to duty, such as wines, spirits, and tobacco, for which special regulations are made.

SHIP, VALUATION OF.—Whenever a security is handed over to a lender as a kind of guarantee for the repayment of a loan made to the borrower, the question will naturally arise in advance, what is the value of the security, and how long will it retain such a value as to be able, if realisation becomes necessary, to cover the amount of the loan? This is not of very great importance when stocks or shares are handed over as security, but where chattels form the security, and there is a likelihood of deterioration, it is essential that a proper estimate should be made. It is clear that such an estimate is specially needed when it is the case of a ship or a part of a ship which is in question. The value of a ship diminishes year by year, and any arrangement that is made as to a loan against the security of the ship must necessarily provide for that diminution, and, consequently, when the value of a ship is written down yearly in the books of the lender, the amount of the limit should be written down also.

Generally the valuation will be made by an expert, especially if the loan to be advanced on the security of the ship is of any magnitude. But in the absence of an expert there are certain points which may be put forward as being likely to assist in arriving at an approximate value. The following remarks are a summary of the advice put forward by an eminent authority on the subject of valuation, and they are specially applicable when the lender is a banker.

In the first place, the person who attempts to value a ship should "know" the ship, *i.e.*, have a full and accurate knowledge of its history, because there may be circumstances which will affect its

value quite apart from the original cost or any recognised system of depreciation.

A ship may be built of iron or of steel. An iron vessel does not wear out so rapidly as one of steel (the corrosion being less), and, therefore, its life is usually a longer one. Most ships, however, are now built of steel, and the figures that are given in the present article refer more particularly to them.

The different classes of steamers are passenger boats, cargo and passenger boats, cargo boats or tramp steamers, as they are commonly called, trawlers, and tugs. In making a valuation, each class requires different treatment, but the boats which are most frequently submitted to the judgment of a lender are trawlers and cargo boats.

The cost of building a boat depends principally upon two things—

1. The state of the shipbuilding trade.
2. The size of the vessel.

With regard to the former, if trade is in a flourishing condition, a boat might cost £8 per ton, dead weight (the dead weight is its carrying capacity), to build, whereas in normal times the cost might be only £5 per ton. With respect to the latter, a smaller boat costs more per ton to build than a larger one, because the cost of the more expensive parts (the machinery, etc.) does not increase in proportion to the size of the boat, *i.e.*, in a large boat the average cost per ton is reduced because the cost of providing merely additional bulk is much less than the cost of building the expensive portion.

A ship depreciates in value, and, therefore, a sufficient deduction for depreciation must be made. After every four years a boat must undergo a survey to the satisfaction of Lloyds' Registry Surveyors. The survey which takes place at the end of the first four years is called No. 1 Survey, at the end of the second period of four years, No. 2 Survey takes place; and at the end of the third period of four years, No. 3 Survey is made. Afterwards, other surveys take place at the end of each four years, and these are known as Special Surveys, being numbered 1, 2, and 3 respectively, *i.e.*, Special No. 1 Survey, Special No. 2 Survey, and Special No. 3 Survey.

In normal times the cost of building a cargo boat of 8,000 tons, dead weight, is, say, £5 per ton, which would make the total cost £40,000. At the end of the first year 10 per cent. depreciation should be written off; at the end of the second year nothing need be deducted, but at the end of the third and fourth years, 5 per cent. of the reduced value should be deducted. At the end of the fifth year the deduction may be omitted, because in that year the boat must be put into thorough repair and any appreciable wear and tear made good, in order to pass No. 1 Survey to the satisfaction of the surveyors. At the end of the sixth, seventh, and eighth years the 5 per cent. deductions should be continued, but at the end of the ninth year the deduction may be omitted, because in that year the boat must again be put in order so as to pass No. 2 Survey. The deductions should go on in the same way for the next three years, and again be omitted in the year (the thirteenth) when No. 3 Survey is passed. The 5 per cent. deductions may be continued for the following four years, including the seventeenth year, when the Special No. 1 Survey must be passed. From this point the deductions should be considerably larger, say 7½ per cent. each year, so as to bring down the value, by the time the Special No. 3 Survey is due

(that is in the twenty-fifth year), within £12,000, as by that time the vessel is worth not more than 30s. per ton, dead weight. The scrap or breaking-up value of an 8,000 tons cargo boat may be taken to be from about £7,000 to £8,000.

No. 1 Survey does not, as a rule, necessitate much outlay, but a banker should always bear in mind the importance of the succeeding surveys, and should consider carefully, as each one approaches, whether the owner of the boat will, or will not, be in a position to carry it through the survey. The most important is No. 3 Survey, and a sum of at least £2,500 may be required to be spent upon the boat before it will satisfy the surveyors.

The example of the 8,000 tons cargo boat, built at a cost of £5 per ton, dead weight, with the deductions for depreciation as above explained, would work out as follows—

Cargo boat, 8,000 tons, at £5 per ton	=	£40,000
At end of 1st year, deduct 10 per cent.	=	4,000
		36,000
" " 2nd " no deduction		
" " 3rd " deduct 5 per cent.	=	1,800
		34,200
" " 4th " " "	=	1,710
		32,490
" " 5th " no deduction (because the boat must be put into thorough repair to pass No. 1 Survey in this year.)		
" " 6th " deduct 5 per cent.	=	1,624
		30,866
" " 7th " " "	=	1,543
		29,323
" " 8th " " "	=	1,466
		27,857
" " 9th " no deduction (after No. 2 Survey has been passed)		
" " 10th " deduct 5 per cent.	=	1,392
		26,465
" " 11th " " "	=	1,323
		25,142
" " 12th " " "	=	1,257
		23,885
" " 13th " no deduction (after No. 3 Survey has been passed)		
" " 14th " deduct 5 per cent.	=	1,194
		22,691
" " 15th " " "	=	1,134
		21,557
" " 16th " " "	=	1,077
		20,480
" " 17th " deduct 5 per cent (Special No. 1 Survey must be passed)	=	1,024
		19,456

At end of 18th year deduct 7½ per cent.	=	£1,459
		17,997
" " 19th " " "	=	1,349
		16,648
" " 20th " " "	=	1,248
		15,400
" " 21st " deduct 7½ per cent. (Special No. 2 Survey due)	=	1,155
		14,245
" " 22nd " deduct 7½ per cent.	=	1,068
		13,177
" " 23rd " " "	=	988
		12,189
" " 24th " " "	=	914
		11,275
" " 25th " deduct 7½ per cent. (Special No. 3 Survey due)	=	845
		£10,430

The figures given are those which relate to a cargo boat built in normal times, at the supposed cost of £5 per ton. If the calculation has to be made on a different basis, when trade is in a flourishing condition and the cost of building is as high as £8 per ton, the amount which must be written off is obviously greater. For example, if at the end of three years from the building of a boat which cost £8 per ton a similar boat can be built for £5 per ton, the original cost must be taken by a banker as though it had been £5 and not £8 per ton, and then the deductions may be made as set forth above. Although the cost of building varies, it always reverts to about £5 per ton, and it would, therefore, be imprudent for a banker to advance two-thirds of the value of a boat based on an original cost of more than £5 per ton. If he advanced two-thirds of the cost of a boat built at the rate of £8, the value of the boat would suffer a severe fall as soon as the cost of building again declined to the normal £5. A banker would usually be safe in advancing two-thirds of the value of a boat, based on a cost of £5 per ton, dead weight, with deductions for depreciation as shown above.

In the case of a boat of, say, 2,000 tons, the cost of building is, as already explained, more per ton than for one of 8,000 tons. When the cost of a boat of 8,000 tons is £5, the cost to build one of 2,000 tons would probably be, say, £8. The same system of writing down the value would be adopted as in the example given, and the breaking-up value might be considered to be £2,000.

With respect to steam trawlers, the rate of deduction for depreciation should be greater, because the life of a trawler is shorter than that of a cargo boat, and the market for trawlers is not so extensive. Sixteen years at the outside may be regarded as the useful life of a trawler, and a banker should not look upon it as worth more than its breaking-up value after that time. In the case of a trawler which cost, in normal times, say, £6,500 to build, it might be well to deduct £1,500 in the first year, (as a trawler even after only six months would not,

in ordinary times, sell for anything like its original cost,) and to deduct $7\frac{1}{2}$ per cent. of the reduced value in each subsequent year. When the original cost has been reduced by yearly deductions to £2,000, the boat might probably retain that value for two or three years, if kept up in the ordinary way, but a banker would not, as a rule, consider it prudent, when the value is approaching that sum, to regard the boat as worth more than the breaking-up value. The breaking-up value of a boat of this description would be very small, probably about £250.

SHODDY.—The name given to the wool obtained from old woollen goods, and to the new fabric made of this together with a certain amount of new wool. The rags are torn, separated, and cleaned by machinery, and the short wool is re-manufactured. The result is an inferior woolly material used in the manufacture of friezes, rugs, and cloth for cheap coats, etc. There is an immense demand for this article, which is produced in Yorkshire and Lancashire, the chief towns engaged in the industry being Batley, Dewsbury, and Leeds.

SHOLA.—Also known as Sola or Solah. The Hindu name for the hat-plant, the *Aschynomene aspera*, an Indian tree of the leguminous order. The pith (which is called by the same name) is very light, and is a bad conductor of heat. Hence its popularity as a material for hats and helmets in India.

SHOO.— (See FOREIGN WEIGHTS AND MEASURES—JAPAN.)

SHOP HOURS ACTS.—"Whereas the health of many young persons employed in shops and warehouses is seriously injured by reason of the length of the period of the employment." That is the preamble of the Shop Hours Act, 1892, which Act together with its amending Acts is now consolidated in Shops Act, 1912. The Consolidation Act provides that no young person shall be employed in or about a shop for a longer period than seventy-four hours, including meal times, in any one week. No young person shall be employed in a shop, to the knowledge of his employer, who has been previously on the same day employed in any factory or workshop, if the length of the employment shall exceed the limit set by law. A notice must be exhibited in every shop in which a young person is employed; it must be put up by the employer in a conspicuous place, it must refer to the provisions of the Act, and it must state the number of hours per week in which a young person may lawfully be employed in that shop. Failure to exhibit such notice carries a penalty of 40s.

The words "young person" mean a person under the age of eighteen. The Act does not apply to domestic servants nor to members of the employer's family living in the same building, of which the shop forms a part.

Where any young person is employed in a shop contrary to the Act, the employer will be fined £1 for every person so employed. If the employer does his best to carry out the Act, and yet some person in his employment is guilty of disobeying it, the person who disobeys, and not the employer, will be fined. The procedure is as follows: The employer gives information against the person who commits the offence; that person must be brought before the court at the time of hearing the charge, if the commission of the offence has been proved, and the employer proves to the satisfaction of the court that he has used due diligence to enforce the Act, and

that the other party has committed the offence without his knowledge, consent, or connivance, then the other party will be convicted and fined, and the employer will escape.

The county council, or a borough council, or the Common Council of the City of London, may appoint inspectors to see that the Act is obeyed.

Any salaries payable or other expenses incurred by the council of a county or a borough shall be defrayed out of the county fund, or out of the borough fund or rate respectively.

The following definitions from Section 19 of the Act may here be noted—

"(1) 'Shop' includes any premises where any retail business or trade is carried on.

"(2) 'Retail trade or business' includes the business of a barber or hairdresser, the sale of refreshments or intoxicating liquors, and retail sales by auction, but does not include the sale of programmes and catalogues and other similar sales at theatres and places of amusement.

"(3) 'Shop Assistant' means any person wholly or mainly employed in a shop in connection with the serving of customers or the receipt of orders or the despatch of goods."

Seats for Female Assistants. In all rooms of a shop or other premises where goods are actually retailed to the public, and where female assistants are employed for the retailing of goods to the public, the employer carrying on business in such premises must provide seats behind the counter, or in such other position as may be suitable for the purpose, and such seats must be in the proportion of not less than one seat to every three female assistants employed in each room. Any employer who fails to comply with the Act will be liable to a fine of £3 for the first offence and for a second offence to a fine not exceeding £5.

Closing Orders. The local authority in any district is empowered to make an order, called a "closing order," fixing the hours on the several days of the week at which, either throughout the area of the local authority or in any specified part thereof, all shops, or shops of any specified class, are to be closed for serving customers, but the hour of closing cannot be earlier than seven in the evening. The order may define the shops and the trades to which it applies, and may authorise sales after the closing hour in cases of emergency.

By Section 1 of the Act provision as to hours of employment are laid down as follows—

"1. (1) On at least one week day in each week a shop assistant shall not be employed about the business of a shop after half-past one o'clock in the afternoon:

"Provided that this provision shall not apply to the week preceding a bank holiday if the shop assistant is not employed on the bank holiday, and if on one week day in the following week in addition to the bank holiday the employment of the shop assistant ceases not later than half-past one o'clock in the afternoon.

"(2) The occupier of a shop shall fix, and shall specify in a notice in the prescribed form, which must be affixed in the shop in such manner and at such time as may be prescribed, the day of the week on which his shop assistants are not employed after half past one o'clock, and may fix different days for different shop assistants.

"(3) Intervals for meals shall be allowed to each shop assistant in accordance with the first schedule to this Act."

Section 4 provides for weekly half-holidays—

"4.—(1) Every shop shall, save as otherwise provided by this Act, be closed for the serving of customers not later than one o'clock in the afternoon on one week day in every week.

"(2) The local authority may, by order, fix the day on which a shop is to be so closed (in this Act referred to as the weekly half-holiday), and any such order may either fix the same day for all shops, or may fix—

"(a) different days for different classes of shops, or

"(b) different days for different parts of the district; or

"(c) different days for different periods of the year;

"Provided that—

"(1) where the day fixed is a day other than Saturday, the order shall provide for enabling Saturday to be substituted for such other day, and

"(2) where the day fixed is Saturday, the order shall provide for enabling some other day specified in the order to be substituted for Saturday."

as respects any shop in which notice to that effect is affixed by the occupier, and that no such order shall be made unless the local authority after making such inquiry as may be prescribed are satisfied that the occupiers of a majority of each of the several classes of shops affected by the order approve the order

"(3) Unless and until such an order is made affecting a shop, the weekly half-holiday as respects the shop shall be such day as the occupier may specify in a notice affixed in the shop, but it shall not be lawful for the occupier of the shop to change the day oftener than once in any period of three months.

"(4) Where the local authority have reason to believe that a majority of the occupiers of shops of any particular class in any area are in favour of being exempted from the provisions of this section, either wholly or by fixing as the closing hour instead of one o'clock some other hour not later than two o'clock, the local authority, unless they consider that the area in question is unreasonably small, shall take steps to ascertain the wishes of such occupiers, and, if they are satisfied that a majority of the occupiers of such shops are in favour of the exemption, or, in the case of a vote being taken, that at least one half of the votes recorded by the occupiers of shops within the area of the class in question are in favour of the exemption, the local authority shall make an order exempting the shops of that class within the area from the provisions of this section either wholly or to such extent as aforesaid

"(5) Where a shop is closed during the whole day on the occasion of a bank holiday, and that day is not the day fixed for the weekly half-holiday, it shall be lawful for the occupier of the shop to keep the shop open for the serving of customers after the hour at which it is required under this section to be closed either on the half-holiday immediately preceding, or on the half-holiday immediately succeeding, the bank holiday.

"(6) This section shall not apply to any shop in which a trade or business of any class mentioned in the second schedule to this Act is carried

on, but the local authority may, by order made and revocable in like manner as closing orders, extend the provisions of this section to shops of any class exempted under this provision if satisfied that the occupiers of at least two thirds of the shops of that class approve the order."

Section 7 of the Act deals with the power to hold local inquiries for the purpose of facilitating and promoting early closing. Its provisions are as follows—

"7.—(1) Where it appears to the Secretary of State, on the representation of the local authority or a joint representation from a substantial number of occupiers of shops and shop assistants in the area of the local authority, that it is expedient to ascertain the extent to which there is a demand for early closing in any locality, and to promote and facilitate the making of a closing order therein, the Secretary of State may appoint a competent person to hold a local inquiry.

"(2) If, after holding such an inquiry and conferring with the local authority, it appears to the person holding the inquiry that it is expedient that a closing order should be made, he shall prepare a draft order and submit it to the Secretary of State together with his report thereon.

"(3) If the Secretary of State, after considering the draft order and report, and any representations which the local authority may have made in respect thereof, is of opinion that it is desirable that a closing order should be made, he may communicate his decision to the local authority, and thereupon there shall be deemed to be a *prima facie* case for making a closing order in accordance with the terms of the draft order, subject to such modifications (if any) as the Secretary of State may think fit

"(4) The person who held the inquiry shall, if so directed by the Secretary of State on the application of the local authority, assist and co-operate with the local authority in taking the steps preliminary to making the order."

Provision as to special business or trade is made in Sections 9 to 11, namely—

"9.—It shall not be lawful in any locality to carry on in any place not being a shop retail trade or business of any class at any time when it would be unlawful in that locality to keep a shop open for the purposes of retail trade or business of that class, and, if any person carries on any trade or business in contravention of this section, this Act shall apply as if he were the occupier of a shop and the shop were being kept open in contravention of this Act:

"Provided that:

"(a) the prohibition imposed by this section shall, as respects any day other than the weekly half-holiday, be subject to such exemptions and conditions (if any) as may be contained in the closing order, and

"(b) nothing in this section shall be construed as preventing a barber or hairdresser from attending a customer in the customer's residence, or the holding of an auction sale of private effects in a private dwelling-house; and

"(c) nothing in this section shall apply to the sale of newspapers.

"10.—(1) Where several trades or businesses are carried on in the same shop, and any of those trades or businesses is of such a nature

that, if it were the only trade or business carried on in the shop, the shop would be exempt from the obligation to be closed on the weekly half-holiday, the exemption shall apply to the shop so far as the carrying on of that trade or business is concerned, subject, however, to such conditions as may be prescribed.

"(2) Where several trades and businesses are carried on in the same shop, and any of those trades or businesses are of such a nature that if they were the only trades or businesses carried on in the shop a closing order would not apply to the shop, the shop may be kept open after the closing hour for the purposes of those trades and businesses alone, but on such terms and under such conditions as may be specified in the order.

"(3) Where several trades or businesses are carried on in the same shop, the local authority may require the occupier of the shop to specify which trade or business he considers to be his principal trade or business, and no trade or business other than that so specified shall, for the purpose of determining a majority under this Act, be considered as carried on in the shop, unless the occupier of the shop satisfies the local authority that it forms a substantial part of the business carried on in the shop.

"11.—(1) In places frequented as holiday resorts during certain seasons of the year the local authority may by order suspend, for such period or periods as may be specified in the order, not exceeding in the aggregate four months in any year, the obligation imposed by this Act to close shops on the weekly half-holiday.

"(2) Where the occupier of any shop to which any such order of suspension applies satisfies the local authority that it is the practice to allow all his shop assistants a holiday on full pay of not less than two weeks in every year, and keeps affixed in his shop a notice to that effect, the requirement that on one day in each week a shop assistant shall not be employed after half-past one o'clock shall not apply to the shop during such period or periods as aforesaid."

The Act applies to shops in which post office business is transacted with other business, save that where the shop is a telegraph office, post office business may continue to be transacted and in any case on the certificate of the Postmaster General, post office business may go on.

It is the duty of the local authority to enforce within its district the provisions of the Shops Act, and of the orders made thereunder, and for that purpose to institute and carry on such proceedings in respect of failures to comply with or contraventions of the Act and the orders made thereunder as may be necessary to secure the observance thereof, and to appoint inspectors. An inspector so appointed shall, for the purposes of his powers and duties, have in relation to shops all the powers conferred in relation to factories and workshops on inspectors by section 119 of the Factory and Workshop Act, 1901, and that section and section 121 of the same Act shall apply accordingly. An inspector may, if so authorised by the local authority, institute and carry on any proceedings under this Act on behalf of the authority.

The expression "local authority" means—

• "as respects the city of London, the common council,

"as respects any municipal borough, the council of the borough;

"as respects any urban district with a population according to the returns of the last published census for the time being of twenty thousand or upwards, the district council;

"elsewhere, the county council."

A county council may, with the approval of the Secretary of State, make arrangements with the council of an urban district in the county with a population of less than twenty thousand, or with the council of a rural district, for the exercise by the council of that district as agents for the county council, on such terms and subject to such conditions as may be agreed on, of any powers of the county council under the Shops Act within the district, and the council of the district may, as part of the agreement, undertake to pay the whole or any part of the expenses incurred in connection with the exercise of the powers delegated to them, and the London county council may, with the like approval, make similar arrangements with the council of any metropolitan borough.

The expenses of a local authority under the Shops Act (including any expenses which a council undertake to pay as aforesaid), shall be defrayed—

"in the case of the common council of the city of London, out of the general rate;

"in the case of the council of a borough, out of the borough fund or borough rate;

"in the case of a district council, as part of the general expenses incurred in the execution of the Public Health Acts;

"in the case of a county council, as expenses for special county purposes;

"in the case of a metropolitan borough council, as part of the expenses of the council."

By Section 4 of the Act a person guilty of an offence against the section which provides for weekly half-holidays is liable to a fine not exceeding—

"(a) in the case of first offence, one pound;

"(b) in the case of a second offence, five pounds; and

"(c) in the case of a third or subsequent offence, ten pounds."

Provided that the occupier of a shop shall not be guilty of an offence against the Act when a customer is served at any time at which the shop is required to be closed, if he proves either that the customer was in the shop before the time when the shop was required to be closed, or that there was reasonable ground for believing that the article supplied to the customer was required in the case of illness.

If the occupier of a shop contravenes or fails to comply with any of the other provisions of the Act or the orders made thereunder, he shall be guilty of an offence against this Act.

Where an offence for which the occupier of a shop is liable under the Shop Act has, in fact, been committed by some manager, agent, servant, or other person, the manager, agent, servant, or other person shall be liable to the like penalty as if he were the occupier.

All fines imposed in any proceedings instituted by a local authority in pursuance of their powers and duties under the Shops Act are to be paid to the local authority and carried to the credit of the fund out of which the expenses incurred by the authority under the Act are defrayed.

Any order made by a local authority under the Act may be proved by the production of a copy thereof certified to be a true copy by the clerk of the local authority by whom the order was made,

and an order made by a local authority under the Act may, unless otherwise provided, be revoked by an order made in the like manner and subject to the like approval as the original order.

Nothing in the Act is to prevent customers from being served, at a time when the shop in which they are sold is required to be closed, with victuals, stores, or other necessities for a ship, on her arrival at or immediately before her departure from a port.

Further the Act does not apply to any fair lawfully held or any bazaar or sale of work for charitable or other purposes from which no private profit is derived.

SCHEDULES.

FIRST SCHEDULE.

INTERVALS FOR MEALS (SEC. 1)

"Intervals for meals shall be arranged so as to secure that no person shall be employed for more than six hours without an interval of at least twenty minutes being allowed during the course thereof.

"Without prejudice to the foregoing provision—

"(1) Where the hours of employment include the hours from 11 30 a.m. to 2 30 p.m., an interval of not less than three-quarters of an hour shall be allowed between those hours for dinner, and

"(2) where the hours of employment include the hours from 4 p.m. to 7 p.m., an interval of not less than half-an-hour shall be allowed between those hours for tea,

and the interval for dinner shall be increased to one hour in cases where that meal is not taken in the shop, or in a building of which the shop forms part or to which the shop is attached:

"Provided that an assistant employed in the sale of refreshments or in the sale by retail of intoxicating liquors need not be allowed the interval for dinner between 11 30 a.m. and 2 30 p.m., if he is allowed the same interval so arranged as either to end not earlier than 11 30 a.m. or to commence not later than 2 30 p.m., and the same exemption shall apply to assistants employed in any shop on the market day in any town in which a market is held not oftener than once a week, or on a day on which an annual fair is held."

SECOND SCHEDULE (SEC. 4).

TRADES AND BUSINESSES EXEMPTED FROM THE PROVISIONS OF THIS ACT AS TO WEEKLY HALF-HOLIDAY.

"The sale by retail of intoxicating liquors.

"The sale of refreshments, including the business carried on at a railway refreshment room.

"The sale of motor, cycle, and air-craft supplies and accessories to travellers.

"The sale of newspapers and periodicals.

"The sale of meat, fish, milk, cream, bread, confectionery, fruit, vegetables, flowers, and other articles of a perishable nature.

"The sale of tobacco and smokers' requisites.

"The business carried on at a railway bookstall or adjoining a railway platform.

"The sale of medicines and medical and surgical appliances.

"Retail trade carried on at an exhibition or show, if the local authority certify that such

retail trade is subsidiary or ancillary only to the main purpose of the exhibition or show."

The Act applies with certain modifications, which need not be specified here, to Scotland and Ireland.

Only experience can prove the full value of this Act, though it is a great advance upon its predecessors.

Special regulations have been made under the Defence of the Realm Act, and in some cases the seven o'clock rule was abandoned to the advantage of employees, but regulations are again normal.

SHOP STEWARDS.—(See WORKS COMMITTEES.)

SHORT BILLS.—These are bills of exchange which are left with a banker for the purpose of collection, and not for discount. The expression is said to be derived from the fact that it was the custom to enter bills left for collection in an inner column of the customer's account or pass book, *i.e.*, in a column "short" of the one in which the amounts were entered when actually credited to the customer. It is often incorrectly supposed that the term "short" has reference to the currency of the bill. In point of fact, however, a bill which has a considerable time to run before maturity, say, twelve months, if left for collection is still known as a "short bill."

Short bills, although deposited with a banker, remain the property of the customer, subject to any lien which the banker may have from any liability of the customer to him.

SHORT-DATED PAPER.—Bills of exchange which are drawn for a short period, not exceeding three months after date.

SHORT EXCHANGE.—This is a term used in connection with the foreign exchanges (*q.v.*), and denotes bills at sight and those having a currency up to eight or ten days after sight.

SHORTHAND.—The system of shorthand writing invented and perfected by Sir Isaac Pitman (1813-1897) under the distinctive name of "Phonography" has come into such general use that it is employed almost as freely as ordinary longhand for written communications and announcements of various kinds. Two illustrations may be furnished in substantiation of this statement; many others could be given. By more than one large insurance company the correspondence between the head office and its local representatives is conducted in Pitmanic shorthand, thereby saving much time and effort as compared with longhand, or even with typewriting. Business and other advertisements in the characters of Pitman's Shorthand have been familiar objects for, at any rate, the past quarter of a century. These announcements are designed to arrest popular attention and to be generally read, and unfamiliar characters would defeat the object of the advertisers. The obvious meaning of such facts as these is that Pitman's Shorthand is recognised on its merits, and also from its universality, as one of those standard modern methods which are in general use in daily life and work. Indeed, the shorthand writing work of the British Empire in association with authorship, journalism, the professions, commerce, and official life, is performed almost entirely through the medium of the Pitmanic method.

It is obvious, therefore, that the system has proved its capability for every use to which the stenographic art is put. The further claim can be made for it, and fully substantiated, that it can be written with a greater speed, combined with perfect legibility, than any other system—old or new.

Obviously the supreme test of a system of shorthand is the success with which it can be written at the high speeds needed to commit to the note-book a verbatim record of the most rapid utterances of a speaker. A Pitman writer holds the world's shorthand speed record of 322 words (net) a minute, the test being carried out under strict examination conditions. There are also many well-authenticated instances of the system having been accurately written and transcribed under similarly strict conditions at rates varying from 200 to 300 words a minute. Special aptitude and assiduous practice are indispensable elements in efforts such as have just been described, but anyone of average attainments and perseverance can use the system at rates from 120 to 150 words a minute, and this suffices for everyday shorthand work of various kinds, of which commercial and legal office note-taking are perhaps the largest fields of labour.

It was, in fact, in association with Pitman's Shorthand that an entirely new use of the art originated in the middle of the last century, namely, the dictation of commercial and legal letters and documents to shorthand clerks. Railway offices were the first in which the innovation was introduced, the pioneer in the practice just mentioned having been Sir Edward Watkin. The example set by railway officials was largely followed in legal offices, but it was not until the introduction of the typewriter in the last two decades of the nineteenth century that the practice became general of dictating to a shorthand writer commercial letters, which were afterwards transcribed on the writing machine. In many instances, principals or business heads draft their communications and statements in shorthand for transcription on the typewriter by their assistants, and this method has several obvious advantages. The shorthand draft lies before its author, and can be easily amended or added to, a point of some value where exactitude of form or statement is specially aimed at. This method has been adopted by well-known officials and literary men. The saving of time and effort in using shorthand for making a draft is very considerable.

Pitman's shorthand has the further advantage of being by no means difficult to learn, while the attainment of proficiency in the use of a musical instrument, is dependent on the time and attention devoted to practice for speed. The distinctive characteristics of Sir Isaac Pitman's system are the following: (1) Its basis is phonetic, it is founded on the "alphabet of nature," and not on the Roman alphabet (the familiar A B C, etc.). The former alphabet, in the words of Max Müller, "comprehends the thirty-six broad, typical sounds of the English language, and assigns to each a definite sign." The consonants (as will be seen below) are arranged in a new order, which Herbert Spencer has termed the "most philosophical mode of arrangement." The vowels are arranged in scales. (2) The alphabet of Pitman's Shorthand consists of the simplest geometrical signs in the form of straight strokes and curves, and dots and dashes. (3) The abbreviating devices are in the shape of simple and systematic additions—circles, loops, and hooks—to the consonant strokes, or "stems." (4) All the most common words in the language are provided with specially brief forms, which are easily memorised because they are naturally evolved from the alphabet of the system. (5) Groups of common words ("phrases") are written by joining

the respective signs for each without lifting the pen, thus effecting considerable saving of time and effort. (6) While Pitman's Shorthand when written fully in what is termed the Intermediate Style represents unmistakably and with perfect exactitude every sound heard in the pronunciation of any word in the language, the shortened form, designated the Advanced Style, is abbreviated for the most rapid work on a basis which ensures the greatest possible legibility. It is, in fact, quite a usual practice for one writer of the system to transcribe the notes of another.

Pitman's Shorthand, or Phonography, as it was first termed (from *phōnē*, voice, and *graphē*, writing), is a method of representing spoken sounds by written signs, the term also indicates the style of writing in accordance with this method. The *art* is based on the *science* of Phonetics, which treats of the different sounds of the human voice and their modification. The style of spelling employed in Pitman's Shorthand is, therefore, termed Phonetic, to distinguish it from the common style as used in this book, which is termed Romanic.

The Pitman system is based on an analysis of the English spoken language. The consonant and vowel sounds, with the symbols assigned to them, are so arranged as to indicate as far as possible their mutual relations. In the grouping of the consonants, for example, the characters follow the order of the oral movements, from the lips backward, in the utterance of the respective sounds, nasal and other sounds which are not included in this classification are placed at the end. The following table shows the signs employed in Pitman's Shorthand for the consonants—

Consonants.

Names.		Names.	
pee P	as in rope	ef F	as in safe
bee B	as in robe	vee V	as in save
tee T	as in fate	th TH	as in wealth
dee D	as in fade	thee TH	as in wealth
chay CH	as inetch	es S	as in hiss
jay J	as inedge	zee Z	as in his
kay K	as inleek	ish SH	as in vicious
gay G	as inleague	zee ZH	as in vision
em M	as in seem	en N	as in seen
		ing NG	as in sing
el L	as in fall	ar R	as in ray
way W	as in wait	yay Y	as in yawl
ASPIRATE hay H s as in hope, high			

It will be noted that the first sixteen consonants form pairs, represented by similar strokes. While the articulation of these pairs is the same, the sound is *light* in the first and *heavy* in the second consonant of each pair, and this distinction is indicated in these characters by writing them *light* and *heavy* respectively.

The second great division of vocal sounds consists of those known as vowels. Phonetic analysis shows that in the English language these may be grouped in two sets of six long and six short vowels, in order that the pronunciation of spoken language may be accurately and unmistakably indicated.

Here, again, the arrangement of the characters in what is termed the vowel scale is determined by the order of their utterance by the vocal organs, ranging from the most open to the most closed sound. The representation adopted in Pitman's Shorthand indicates better than any other arrangement could the organic difference between consonants and vowels. To take an illustration from the human body, the consonants may be compared to the skeleton and the vowels to the flesh. Words are written in Pitman's Shorthand by the geometric consonant skeleton, the vowels being filled in in the form of detached signs. The method will be readily understood from the table of vowels and examples of words written in shorthand.

Vowels.

The following are the Long Vowels, the *heavy* dot or dash being distinguished by its position at the beginning, middle, or end of the consonant stroke.

1	ah	2	aw
2	eh	3	oh
3	ee	4	oo

Below are examples of the combinations of consonants and vowels in words—

pa, balm, aid, day, dame, key, eke, teak

The corresponding Short Vowels are indicated by a *light* dot or dash, the scale being as follows—

1	ā	2	ā
2	ē	3	ū
3	ī	4	ō

Below are examples of the employment of the short vowels in words—

at, tack, egg, deck, if, tick, or, rock, us, tub, took, look

Provision is made in the system for the representation of diphthongs, or double vowels, by the use of detached signs either angular or semi-circular in shape. These diphthongs are shown below, with illustrations of their use—

i as in time; ow as in fowl, or as in toil, ū as in tube

The principle has been still further developed by the use of a scale of signs for indicating the coalescence of the simple vowels with *w* and *y* respectively, as follows

wah	eww	yah	yaw
weh	ewh	yeh	yoh
wee	ewo	yee	yoo

Even a cursory study and use of the phonographic alphabet will demonstrate the fact that, except for monosyllables, the employment of strokes for consonant sounds must result in long and unwieldy outlines for words of average length, which contain more than from two to three consonants, words containing from five to six or seven consonants and upwards being common in all kinds of English composition. This difficulty is overcome

in Pitman's Shorthand by the employment of a series of devices of which the principal are here described, with illustrations of their use.

The consonants *s* and *z* are represented, in addition to the strokes in the table of consonants, by a small circle, thus *o*, which can be written initially, medially, or finally to stroke consonants, thus *sum*, *face*, *task*, *chasm*.

A large initial circle represents *sw* as in *swum*. When used medially or finally, the large circle represents *ss* or *sz* as *ses* necessity, *sez* causes.

The frequently occurring consonant combination of *st*, at the beginning of a word, or medially, and of *st* or *zd* at the end, is represented by a loop half the length of the stroke, thus, *stake*, *taste*, *tasting*, *dazed*. The combination *str*, when it occurs medially or finally, is indicated by a larger loop, as in *master*, *masterpiece*.

The addition of hooks to the alphabetic consonant strokes has been reduced to a system easily and invariably applied, the following being a short summary of this method of abbreviation.

The fact that *l* and *r* blend closely with other consonants is thus indicated in the system. A small initial hook written with the left motion adds *l* to straight consonants, thus *pl*, as in *plav*. A small initial hook written with the right motion adds *r* to straight consonants, thus *pr*, as in *pray*. A small initial hook adds *r* to curved consonants, thus *fr*, as in *affray*, a large initial hook adds *l*, thus *fl*, as in *flap*.

Small hooks at the end of a consonant are employed as described below. A small final hook written with the right motion adds *n* to straight consonants, thus *pn*, as in *pain*. A small final hook written inside the curve adds *n* to all curved consonants, thus *tn*, as in *thin*. A small final hook, written with the left motion adds *f* or *v* to straight consonants, thus *pf*, as in *puff*.

The very common termination *-tion*, which is variously spelt in a large number of words, is expressed by a large final hook, thus *option*, *fashion*.

Hooks are still further utilised in the system in the following special ways (the characters being termed "compound consonants"). *kw*, *qualm*; *gw*, *Guelph*; *wh*, *well*, *whl*, *whale*, *wh*, *Whig*.

When thickened, the strokes *l* and *r* and *m* represent respectively the combinations

lr, *rr*, *mp*, *mb*, as in *fowler*, *bearer*, *camp*, *Jumbo*.

The power of consonants is doubled by halving. Light consonants halved indicate the addition of *t*.

Thus *ache* when written half length has *t* added and becomes *ached*. Heavy consonants

have *d* added in the same way, as in *ebb*, *ebbed*. Under certain conditions either *t* or *d* is added in this way. The opposite principle, that of doubling the length of the consonant, adds *tr*, *dr*, or *thr*, thus *pe* when doubled becomes *fighter*.

Words of frequent occurrence are expressed by one of their letters. Such words are termed grammalogues (letter-words), and the shorthand characters which represent them are termed logograms (word-letters). The following are a few examples from the list, which includes most of the words in common use

in the language: *for*, *from*, *have*, *he*, *I*, *that*, *the*

In the case of common phrases, consisting of several words naturally related, the characters, which are frequently logograms, are joined together and written without lifting the pen, for example,

I have, *for that*, *he may have*

While experience has demonstrated that Pitman's Shorthand is so admirably suited to English that it can be used for preserving a record or taking a note of every description of utterance or composition—scientific, legal, literary, or commercial—its phonetic basis renders its adaptation to other languages comparatively easy. It has been adapted in all to twenty-one European and Oriental tongues.

The Spanish adaptation is largely used for reporting and other purposes in Buenos Ayres and throughout South America.

Examinations in Pitman's Shorthand have been held at the Phonetic Institute, at Bath, for theory since 1845, and for speed since 1885, in association with local committees in all parts of the world.

SHORT LOAN.—An advance made for a short period at a fixed rate of interest.

SHORT LOAN FUND.—The name generally applied in the banking world to the money which is kept in hand by the principal London banks and held available for granting loans for a short period to bill brokers, stock-brokers, and others. In ordinary times this species of floating capital does not vary much in its total amount, but it is constantly varying in position, the rate of interest charged being lowest when almost the whole sum is in the hands of the competing banks, and highest when the Bank of England controls a large part of it. When loans are made by the Bank of England out of this fund, the rate charged for fixed periods of from three to ten days is about one-half per cent. above the Bank Rate. Bill brokers prefer, if possible, to borrow from outside banks first of all, partly because the rate of interest charged is lower, and easier terms can be arranged as to repayment in a shorter period than has been stipulated for, if it is convenient to do so, by which there is also a saving.

SHORT OF STOCK.—An American term, equivalent in meaning to the word "bear"; speculators being said to be "short of stock" when they have sold what they do not possess.

SHORT RATE.—This is a term used in connection with the foreign exchanges. It signifies the price in one country at which a short dated draft (up to eight or ten days' currency) drawn upon another country, may be bought (See *CHEQUE RATE*, *COURSE OF EXCHANGE*, *LONG RATE*).

SHORT SHIPMENT.—Goods are said to be a short shipment when they are shut out of a ship, either accidentally or for want of room.

SHOW OF HANDS.—The common law method of ascertaining the sense of a meeting is by a show of hands.

It is very usual for articles of association of a joint stock company to provide that every question, in the first instance, shall be decided by a show of hands, and where this is the case a show of hands must be taken.

When there is a show of hands, the chairman will look to the number of hands only, and will not take into account the votes which the owner of each may represent either in person or by proxy. In the absence of a poll, only hands count.

Proxies cannot be counted on a show of hands. In the absence of a demand for a poll, the declaration of the chairman as to the result of voting by show of hands is conclusive, unless fraud or obvious mistake be proved.

SHUT FOR DIVIDEND.—An expression used when the transfer books of banks and joint stock companies are closed to permit of the dividend warrants being prepared and issued.

SIAM.—Siam, the "Land of the Free," is an independent kingdom lying between the British and French possessions in the peninsula of Indo-China. Its area is little less than 200,000 square miles, almost one-third of which lies in the Malay Peninsula. The population is probably about 9,000,000.

Siam has parallel mountain chains running from the north to the south, and is drained by the Menam and Mekong Rivers. The alluvial plains of the Menam and its delta are the most densely populated parts of the country. The climate is typically tropical in all respects. Teak, ebony, and rosewood are the chief products of the northern forests, while rice, pepper, hemp, tobacco, cotton, sugar, and coffee flourish on the lowlands. The country is rich in minerals, including tin, gold, copper, coal, iron, zinc, manganese, and antimony; sapphires and rubies are also found. Gold is mined at Kabin and Watana, and copper at Chantuk. Fishing is an important occupation. There are few roads in Siam, and transport by water, which is not very satisfactory, is the only natural means of communication with the far interior, but railways are being developed with commendable rapidity. The chief exports are rice, teak, tin, pepper, hides, raw silk, salt and dried fish, bullocks' horns, edible birds' nests, sapan, rosewood, ironwood, and gums. Cotton goods, silks, kerosene, sugar, opium, and iron and steel goods form the chief imports.

The chief trade centre is *Bangkok* (population about 550,000), the capital, which stands on the delta of the Menam. Its harbour is a poor one, and is only accessible to vessels of small draught. Bangkok is often called the "Venice of the East," and many of its people live in floating houses. Other centres are *Paknam* (the outpost of Bangkok), *Korat* (agricultural and mining centre), and *Ayuthia* (river port).

Mails are despatched every Friday, and the time of transit is about thirty days.

For map, see *EAST INDIES*.

SIBERIA.—(See *RUSSIA*.)

SIERRA LEONE (BRITISH).—The Crown Colony and Protectorate of Sierra Leone is situated on a peninsula on the west coast of Africa, and lies between French Guinea on the north and the

Republic of Liberia on the south and east. Sierra Leone proper consists of a strip of land stretching for 210 miles along the coast, and having a width of not more than half a mile, except in the Freetown and Sherbro districts. Behind lies the protectorate, which has an area about equal to that of Ireland. The population of the colony is 75,600, of whom only about 1 per cent. are whites, while that of the Protectorate is vaguely estimated at from 750,000 to 2,000,000.

The climate is unsuited to Europeans, and has earned for the colony the unenviable title of "The White Man's Grave." There are two seasons—the wet and the dry—and the annual rainfall is over 120 in. Rice and cassava are the chief crops, but ginger, ground nuts, yams, guinea-corn, millet, benised, and maize are cultivated. Cocoa-nuts, kola, cocoa, and rubber are proving very remunerative, and ramic planting is becoming important. Excellent fruits, such as bananas, plantains, pineapples, mangoes, oranges, and limes are grown, but only to supply local demands. The oil-palm grows extensively, and the forests contain gum-producing plants. From Freetown a railway runs through Bo to Pendemba, but transport is largely by boats and carriers. The chief exports are rice, palm kernels, kola nuts, ginger, ground-nuts, palm-oil, india-rubber, gums, and beeswax, and the chief imports are cotton goods, tobacco, spirits, arms and ammunition.

Freetown (37,000), the capital, is the chief trade centre. It stands 4 miles up the Sierra Leone River, and possesses the best harbour in West Africa, but has a most unhealthy situation. It is a naval, military, and coaling station. Other towns are **Waterloo** in the eastern district, and **Bonthe** on Sherbro Islands.

Mails are despatched every Friday via Liverpool. The distance of Freetown from Liverpool is 3,078 miles, and the time of transit is about twelve days.

For map, see AFRICA.

SIGHT BILL.—This is the name given to a bill of exchange which is payable as soon as it is presented, i.e., on sight, and to which no days of grace (*q.v.*) are attached. When a bill is drawn payable at so many days "after sight," the due date of payment is calculated from the date of sighting. (See SIGHTING A BILL.)

SIGHTING A BILL.—When a bill of exchange is drawn payable at a certain period after sight, it is necessary for it to be presented to the drawee so that he may see it and write his acceptance across it, together with the date of such acceptance. This is known as "sighting" the bill, and it is obviously a matter of great importance, because the due date of payment can only be calculated when the date of sighting is known. It is most regular for the drawee to write the date of the sighting and acceptance after his signature, but if he fails to do so the holder of the bill may insert the true date, or what he actually believes to be the true date, of the sighting and acceptance. If the drawee inserts two dates, e.g., "sighted 1st December, accepted 2nd December," the second date is ignored and the holder need only consider the date of the sighting, from which the date of payment is to be calculated.

A bill of exchange payable at sight is in the same category as a bill of exchange payable on demand. It is, in fact, payable on presentation, no days of grace attaching to it.

SIGHT RATE.—A term used in connection with

the Foreign Exchanges, and equivalent to cheque rate (*q.v.*)

SIGNATURE.—By signing a document a person is understood to make it his own, or to give his adhesion to all that is contained therein. The signature is invariably at the foot or the end of the document, and it constitutes the authentic mark of the person who signs.

Before writing became common, it was the general practice for a deed to be used in all important transactions. The contracting parties then affixed their seals, the signing was a later practice. Even to-day it is doubted whether a deed does really require the signature of the parties in addition to their seals; but no person who is not anxious to establish a sort of posthumous fame through an expensive law suit would be so foolish as to leave a deed unsigned.

It has been said above that the signature of a party gives his assent to all that is contained in the document which is signed by him. That, of course, means all that is contained in it at the time the signature is affixed. Any alterations made subsequently to the signature are not binding upon him. For that reason, then, it is essential that if there are any alterations or interlineations in the body of the document to which the signatory or signatories, as the case may be, give their assent, they should be initialled before the signing takes place. Nothing that is done subsequently can be held to be binding, as the document is then an unauthorised or forged instrument.

Certain documents must be signed. The possible exception of a deed has been noted, but anything in the shape of an agreement must have the signature of the party appended, or he must have himself written in his own name in the body of the document. A will must be signed by the testator with certain formalities (See WILLS). And almost all commercial documents require the signature or signatures of certain parties to authenticate them.

Personal signature is always advisable if it can be obtained. But a principal may authorise an agent to sign for him unless there is some special reason which prohibits the practice. As *Quinn, J.*, said in *Reg. v. The Justices of Kent*, 1873, L.R. 8 Q.B. 305, where an agent had signed a notice instead of his principal, "We ought not to restrict the common law rule, *qui facit per alium facit per se*, unless the statute makes personal signature indispensable." For example, as there is nothing to the contrary in sect. 2 of the Companies (Consolidation) Act, 1908, the necessity of "subscribing their names" to the memorandum of association is satisfied if an agent is duly authorised to sign on behalf of his principal. This was established in the case of *In re H. Hulley Partners*, 1886, 32 Ch.D. 337, a case decided under sect. 6 of the Companies Act, 1862, which the above-mentioned section of the Act of 1908 has replaced. It is obvious that there must always be a certain element of risk in allowing an agent indiscriminate power to sign on behalf of his principal, but trust and not suspicion must always be at the base of success in business, and without the delegation of signatory powers the commerce of the world could not be conducted. As is well known, under the general law of agency, a principal may be held liable to a very great extent for the acts of his subordinates. (See AGENCY.)

The chief interest connected with signatures is attached to negotiable instruments, and as this

subject has been dealt with in other articles, it will not be necessary to do more than give an outline of the legal position under the present heading. A banker must know the signatures of all his customers, and if he should pay a cheque, drawn upon the account of one of his customers, where the drawer's signature has been forged, he cannot debit the amount to the account of his customer. It is very necessary, therefore, that every banker should possess a complete set of specimens of the signatures of all his customers, whether on current account or on deposit account, and have them in such a form that they may be readily referred to. If a drawer's signature differs from his usual one and a banker is in doubt as to whether or not it is genuine, unless he can readily see the customer about it, it is customary to return the cheque with the explanation "signature differs."

Section 91 of the Bills of Exchange Act, 1882, says: "Where, by this Act, any instrument or writing is required to be signed by any person, it is not necessary that he should sign it with his own hand, but it is sufficient if his signature is written thereon by some other person by or under his authority." That is in accordance with the common law, as already stated.

A banker, however, would require a proper authority from a customer before paying a cheque on which the drawer's signature was written by someone other than the drawer himself. In cases where a customer desires to give authority to another person to draw cheques upon his (the customer's) account, it is much better that the usual method should be adopted and cheques be signed per procuration. (See MANDATE, PER PROCURATION.)

The practice of signing with an ordinary pencil is not a desirable one, and it is advisable to discourage it as much as possible. A signature may be lithographed, as in the case of dividend warrants, or it may be placed on a cheque by means of a rubber stamp by the person whose signature it is, or by anyone who is duly authorised by him to sign the cheque. A rubber stamp signature, however, is full of danger, and its use should be avoided.

It is very imprudent for anyone to put his signature on a blank cheque, or indeed to any document to be subsequently filled up, and a person so signing will be liable, not for what he expected would be filled in above his signature, but for what actually is filled in. (See INCHOATE INSTRUMENTS.)

If a signature to a document is obtained, and the person signing it is under the impression that he is signing a document other than it really is, the Courts would probably free him from liability. In *Levis v. Clay*, 1898, 67 L. J., Q. B. 224, Lord Russell said: "A promissory note is a contract by the maker to pay the payee. Can it be said that in this case the defendant ever contracted to pay the plaintiff? His mind never went with the transaction; for all that appears, he had never heard of the plaintiff, and his mind was fraudulently directed into a different channel by the statement that he was merely witnessing a deed or other document. He had no contracting mind, and his signature obtained by untrue statements fraudulently made to a document of the existence of which he had no knowledge, cannot bind him." (See FORGERY [BILLS, CHEQUES, AND NOTES], SIGNATURE BOOK.)

• **SIGNATURE BOOK.**—Each bank should keep

a special book in which are entered specimen signatures of all the customers of the bank, whether they have a deposit or a current account, and it ought to be kept up-to-date, as it invariably happens that the signatures of individuals change from time to time. The customer should sign his full name, and also his usual signature, and his initials, and enter his address and occupation. The book should be carefully indexed, so that any specimen may be found without delay. If the book is not actually signed by the customer, the specimen should be obtained on a slip of paper which can be pasted into the book. The signatures ought to be numbered consecutively, and the numbers placed against the corresponding names in the ledger, which will enable a ledger keeper to turn up a specimen, without delay, whenever a comparison or a verification is required.

The signature book is the most usual practice adopted by a banker, but some offices are now preferring other systems, especially the card index system. (See CARD INDEXING.) All these, however, have but one main object in view, facility of reference.

A customer ought always to be advised by his banker, when opening an account, that the signature used in signing a cheque should on every occasion be in accordance with the specimen supplied.

SIGNATURE DIFFERS.—This is a phrase sometimes written upon a cheque by a banker, when he is not satisfied as to the authenticity of the signature of the drawer, on comparing it with the specimen contained in the signature book (*q.v.*).

SIGNET, WRITER TO THE.—This is the name very freely used in Scotch matters, as it represents the person who in many respects corresponds to the English solicitor. The writer to the signet was originally a clerk in the office of the Secretary of State, whose business it was to prepare writs which had to pass the King's signet. When the College of Justice was established, these clerks were made members of that body. And now every summons before the Court of Session must be signed on the last page by a writer to the signet, who is bound to sign every summons presented to him upon payment of two shillings and sixpence. For a long period after the establishment of the College of Justice, the writers were not allowed to act as solicitors in the Court of Session. But this prohibition was removed more than two centuries ago, and the writers now occupy the highest rank of the profession. Admission to membership of the legal society is obtained by a five years' service of apprenticeship, though this is reduced to three years if the apprentice is a university graduate, just as there is a reduction in England of the time of service of a prospective solicitor who has graduated. There are, naturally, various examinations to be passed and fees to be paid. The particulars as to these can be obtained on application in Edinburgh.

SILK.—The most lustrous and most beautiful of all textile fabrics. It is woven from the strong, soft fibre obtained from the cocoon of the silkworm. The manufacture was introduced into Europe from the East during the sixteenth century, and since that time France and, to a smaller extent, Italy have been the chief centres of the silk industry, the climate of these countries being favourable to the growth of the mulberry tree, on which the chief silk-producing moth, the *Bombyx mori*, lives. Lyons is particularly noted for its silk goods, of

which Great Britain is a large importer, but the chief supplies of silk for European and American consumption still come from Japan, China, and India, particularly the light fawn variety, known as *tussore* or *tussur* silk, which is the product of the tussur worm. Spun silk is the material prepared from the silky waste left on the cocoon after the completion of the winding process. There are numerous imitation silks on the market.

SILKWORM GUT.—A strong material, consisting of glutinous threads formed by the secretion of the silkworm. It is obtained by soaking the caterpillars in vinegar and pulling them apart. The threads are then stretched and sun-dried. Silkworm gut is still imported to some extent from China, but the chief supplies are derived from Spain and Italy. It is used by anglers for dressing the hook-end of the fishing line.

SILVER.—A white, metallic element of brilliant lustre. It sometimes occurs native, but is frequently combined with other substances, *e.g.*, with chlorine, thus forming horn silver, and with sulphur thus forming silver glance. It is also often present in galena (*qv*) and in copper pyrites. Silver is found in Spain, Austria, Germany, and in the Isle of Man, but the chief silver-producing countries are the United States and Mexico, which supply about two-thirds of the whole amount. The output of Australia is also considerable. Silver is malleable and ductile, and, like gold, can be beaten into very thin leaves, and drawn into fine wire of great tenacity. In hardness it is intermediate between gold and copper. Its specific gravity is 10.5. Silver excels all other metals as a conductor of heat and electricity, and is, consequently, much used in the manufacture of delicate electrical instruments. In addition, it is extensively employed, either solid or as a plating, for spoons, forks, dessert knives, entrée dishes, backs of brushes, vases, photo frames, and other ornamental and useful articles of every sort and kind. Of the silver salts, silver nitrate is the chief. This is much used in the preparation of other compounds, *e.g.*, silver chloride, bromide, and iodide, which are employed in photographic processes.

SILVER CERTIFICATES.—These are issued by the Treasury of the United States, and form a part of the paper currency of that country. The smallest denomination is one dollar. These certificates are payable in silver, but they are not legal tender, except in the case of payment of duties and taxes.

SILVER COINS.—The British silver coins are: Crown, Double Florn, Half-crown, Florn, Shilling, Sixpence, Groat, Threepence, Twopenny, and Penny. The Groat, Twopenny, and silver Penny are now only coined in very small quantities as Maundy money (*qv*). The double florn, or four-shilling piece, has ceased to be coined.

All silver coins are a legal tender only up to the amount of forty shillings, because they are only tokens. Unlike gold coins, there is no weight fixed below which silver coins cease to be legally current.

Where a bank has an accumulation of silver which it cannot get rid of to its own customers or to another bank, it may be taken to the Bank of England.

In banks silver coins are generally stored in paper bags with the name of the bank and the branch where they are used printed thereon. On each bag is also clearly printed £5, £10, or £20, as the case may be, and the bags may be obtained

with perforations so that the contents may be visible without the necessity of opening them. For sums of £50 paper bags are sometimes used, but canvas bags are more suitable. Stocks of sixpences and threepenny pieces are often kept in small envelopes or packets containing 10s or £1 in each. Paper bags containing silver are usually of a different colour from the bags containing copper, to prevent mistakes in paying away. (See COINAGE.)

SIMARUBA.—The bitter bark of the *Simaruba amara*, a tropical tree of the same family as the quassia (*qv*). A drug is obtained from it which is useful as a tonic. It resembles quassia, and is often used as a substitute for it.

SINGAPORE.—Singapore is an island about 27 miles by 14 in extent, forming part of the Straits Settlements, and has an area of about 206 square miles, and a population of 303,000, of whom only about 4,000 are whites. The island is situated at the southern extremity of the Malay Peninsula, from which it is separated by a narrow strait about three-quarters of a mile in width. Incorporated with Singapore are Labuan Island (producing sago, beeswax, camphor, gutta-percha, indiarubber, rattans, tortoiseshell, and bêche-de-mer), Christmas Island (noted for phosphates), the Cocos-Keeling Islands, and some small adjacent islands.

The island lies low, and has a hot, damp, and unhealthy climate, the temperature varies from 70° to 88° F., and the annual rainfall averages 85 in. The low-lying swampy land is dotted with a number of small hills, one of which rises to the height of 519 ft. Dense and impenetrable jungles occupy a large area, but in the clearings gambier, pepper, and pineapples are cultivated. Vegetation is profuse, and man is forced to wage perpetual warfare with the jungle. Other agricultural products include rice, sugar, tapioca, and tropical fruits. It is, however, as a commercial centre that Singapore is important, and it owes its importance as a receiving and distributing centre to its excellent situation.

The town of *Singapore* (over 200,000), the capital of the Straits Settlements and the "Coal-hole of the East," possesses a magnificent harbour, which is absolutely free. Commanding the important waterway of the Malacca Strait, and having regular steam communication with Japan, China, the Malay Archipelago, Australia, India, Europe (by the Suez Canal), and South Africa and Europe (by the Sunda Strait and Cape route), Singapore has risen to the position of a port of the first rank. Fifty regular steamship lines converge upon it from the west, east, and south, and as an *entrepôt* it is the chief in the Far East. Ships drawing 36 ft. of water can be accommodated in its harbour, and there are shipbuilding yards and facilities for repairing ships. Tin from the Malay Peninsula is largely smelted at Singapore. Singapore is an important naval and military, as well as a coaling station. The trade of Singapore—passing, transit, and actual—amounts to many millions sterling. There are good roads in the island, and the usual means of transport about the country consist of jinrickshas, bullock carts, and pony gharris. From Singapore town a railway runs to Woodlands, opposite Johore, and a steam ferry connects with the mainland. The leading imports, of which a vast quantity is re-exported, are tin (the most important), cotton goods, opium, rice, tea, coffee, tobacco,

hardware, gambier, pepper, gums, rattans, sago, tapioca, cigars, copper, coal, petroleum, and spices. The main exports of the island itself are spices, gambier, gums, tapioca, sago, rattans, and copra.

Mails are despatched every Friday via Italy. The time of transit is about twenty-one days.

For map, see **EAST INDIES**.

SINGLE COST ACCOUNTS.—(See **COSTING**.)

SINGLE ENTRY BOOK-KEEPING.—The name usually given to all methods of book-keeping which are not carried to a sufficient finality to afford a complete double entry, and so called from the fact that provision is not made for the raising of nominal ledger accounts, or if provision is made, advantage is not taken of the same. Hence, as the items appear on one side of the accounts only, a balance cannot be effected. A day book is usually kept for the sake of convenience, and the debtors' accounts raised by posting therefrom, but its total, if made, is not brought into account. No purchases book is kept, the creditors' accounts being raised by entering direct to the ledger from invoices. The cash book may be provided with bank and cash columns, or with one column only, amounts received from debtors and paid to creditors being posted to the respective accounts. The discount columns are usually omitted, and if provided are not often totalled. Ledger accounts are often opened for the purpose of keeping a record of fixed assets. On balancing, debtors, creditors, fixed assets and cash and bank balances are therefore ascertainable from the books. Stock is valued in the usual way, and so a statement of liabilities and assets (commonly known as a statement of affairs) may be prepared, the balance of which is the capital at date. Should it be desired to ascertain the profit or loss made, this may be done by taking the capital shown by the statement of affairs, adding drawings during the period, and deducting the capital shown by the previous statement of affairs and amounts introduced during the period. The disadvantages of single entry book-keeping will be apparent by a consideration of the advantages of double entry (*q.v.*).

SINKING FUNDS.—By the term Sinking Fund is implied an amount which is annually set aside out of revenue and invested with the interest accruing to provide, at a future date, for the redemption of a loan or a series of debentures, or for recouping the gradual shrinkage in value by exhausting the known profit-bearing resources of a mine or similar undertaking, the object of creating and sustaining such a fund being to provide a given sum at a date when, for instance, debentures have to be redeemed, or when a mine ceases to become profitable to repay the capital taken up for the purpose of operating it.

It is important to note that in contrast to setting aside a reserve out of revenue, the establishment of a sinking fund demands also that, in addition to finding a given amount from profits, it becomes necessary actually to invest a sum of money in appropriate securities which can be depended upon to yield the rate of interest determined, in other words, the profits appropriated for the purpose must find material shape in the form of cash. It is also essential to examine the yield on investments from year to year as they are made, because if it is found that this yield is falling short of anticipations, a corresponding increase in the annual amount appropriated and invested must be made in order to secure the amount required at the stated time.

Calculation. There can be little doubt that a sinking fund is much more frequently resorted to for the purpose of redeeming a series of debentures, or for the repayment of a loan by a corporation, than for any other purpose, though in cases where a business enjoys the advantage of a valuable leasehold, it is frequently thought desirable to employ this means of providing for the value paid for the lease, when it expires, rather than adopt the alternative of taking out a policy of insurance on the endowment principle. The Sinking Fund is the preferable plan to adopt, inasmuch as an endowment policy only offers a surrender value for the amounts against premiums paid in the earlier stages of the contract, whereas the investments made and the interest accrued thereon are, or should be, realisable to the extent of the amount represented in the books of the concern at whatever stage in the period over which the fund is to operate. Some insurance companies of undoubted repute offer good terms for such business; it will, consequently, be advisable to make inquiries from suitable companies and compare the advantages to be derived from both positions. One or two well known concerns undertake the return of the premiums paid at any stage of the policy.

The method of computing the amount to be set aside annually at compound interest to provide a given sum in a given number of years can be obtained from any book of interest tables, such as Inwoods', but if such a book is not immediately available the formula for arriving at the amount to be found annually to produce £1 in a stated time at compound interest is as follows: Where I = amount to be raised, i = rate of interest, n = number of years

$$\frac{I}{(1+i)^n - 1} = \text{amount per annum}$$

If it is desired to know the annual increment to amount to £1 in 15 years at 3 per cent, this formula becomes—

$$\frac{1}{(1+0.03)^{15} - 1} = 0.0539 \text{ or } £0.0539 \text{ per annum.}$$

The value of £1 being thus known, it merely becomes necessary to multiply that value by the amount it is desired to raise, assuming the amount required in 15 years at 3 per cent is £50,000, the yearly instalments required for investment will be £50,000 $\times$ 0.0539 = £2,695, or approximately £2,700, which for practical purposes would be the amount decided upon.

Treatment in Accounts. Operations connected with the books of account in connection with such matters are somewhat out of the usual routine, and the requisite entries needed to record the transactions from year to year demand the closest and most careful attention. The first step so far as the books are concerned will be the appropriation of the annual increment from revenue, either from the revenue account itself, if so termed, the profit and loss account, or the profit and loss (appropriation) account—most probably the latter.

This is made in the form of a journal entry,
viz—

Journal							
		£	s.	d.	£	s.	d.
Profit and Loss (Appropriation) A/c	Dr	2,700	0	0			
To Sinking Fund A/c					2,700	0	0
for amount appropriated as per Board minute, No 999, dated April 1st, 19...							

This will create a liability to appear on the balance sheet below the debentures or loan it is desired to redeem. The cash book entries will be—

Cash Book					
	£	s	d.		£ s d
To Interest—				By £2,700 3 %	
Blanktown Loan	76	5	6	Blanktown Corporation loan at par	4,700 0 0
(less tax £4 14s 6d)				(Invested as above for Sinking Fund, minute No. 999)	

The payment to credit of cash account will be repeated each year, plus the *gross* amount of interest received at the end of the year (in the above case, £81). From these cash book entries, investments (sinking fund) account will be debited as yearly investments are made, whilst interest account is credited with interest received. From the interest account the yield must be transferred to sinking fund, and, in addition, income tax account must be debited thus—

	£	s.	d.	£	s.	d.
Interest Account	..	76	5	6		
Income Tax	..	4	14	6		
To Sinking Fund	..			81	0	0

From this, the second year's amount to be invested will be the annual contribution (£2,700) and the gross yield (£81), or £2,781, and so on from year to year till the close of the period, when, if the yield has been maintained, the fund will provide a slight amount in excess of that required, which can be credited to profit and loss.

Effect of, in Balance Sheet. Three items in the balance sheet will be concerned, in any scheme involving the operation of a sinking fund, whilst the operation is in progress and until the debt, which it is desired to extinguish, has disappeared. When the fund is brought to fruition, two liabilities will figure in the statement of affairs as against one as an asset; thus, when the fund has accumulated—

Balance Sheet.							
	£	s.	d.		£	s.	d.
Debentures ..	50,000	0	0	By Investments			
Sinking Fund	50,000	0	0	against Sinking			
				Fund	50,000	0	0

When the debentures are to be redeemed, the investments are realised in order to pay out the debenture holders, so that both the liability under the title of debentures and the assets represented by that investment disappear, but the liability "Sinking Fund" remains. The usual practice is to convert this into a special reserve, which, indeed, it actually is. Assuming the affairs of the concern to have been well maintained and safeguarded, the position should be such a one as would leave the assets preponderating over liabilities to the extent of the amount represented by the reserve; in any event, the object for which the sinking fund was started would have been achieved.

SINKING FUND INSURANCE.—Where property is of a diminishing value, as, for example, where it consists of land held upon a lease, the lessee will sometimes take out a sinking fund policy by means of which he will become entitled to a capital sum of money when the lease is determined. In some companies, such a policy has, after it has been in existence for two years, a surrender value equal to the whole of the premiums paid after the first year, accumulated at 3 per cent compound interest, less 7½ per cent.

SISAL HEMP.—The strong, glossy fibre obtained from a species of agave (*qv*) growing in Mexico. It is used for cordage, and is exported chiefly from Yucatan to the United States.

SISSOO WOOD.—The hard, durable wood of an Indian tree of the rosewood family, the *Dalbergia Sissoo*. Like rosewood (*qv*), it is used in furniture making.

SIXPENCE.—A silver coin in value equal to one-fortieth part of a pound. Its standard weight is 43.63636 grains troy, and its standard fineness thirty-seven fortieths. The coin has been current since 1551. (See COINAGE.)

SIZE.—A sort of glue, variously composed of linseed oil, red lead, vermilion, etc., mixed with turpentine, and used by house painters, paper-makers, gilders, etc.

SKEPPE, SKEPPER.—(See FOREIGN WEIGHTS AND MEASURES—DENMARK.)

SKIONIS.—(See FOREIGN WEIGHTS AND MEASURES—GREECE.)

SKIPPING.—This is a Custom House term which signifies the transferring of goods from one package to another for the purpose of ascertaining the tare (*qv*) of the package.

SKUNK.—A carnivore of the weasel family, found in many parts of the United States, and valued for its fur, which is sometimes fraudulently sold as Alaska sable. A long-tailed variety is found in Mexico.

SLAG.—The mixture of silicates forming the refuse of smelting works, glass foundries, etc. It was once considered useless, but is now employed for a number of purposes varying with the nature of its origin. The largest quantity is obtained in the smelting of pig-iron. Some of this is of a semi-transparent character, and is used for building and paving blocks. Other varieties are employed for cement and as manure. For the former purpose, lime is a necessary constituent, and for the latter, phosphoric acid must be present to the extent of about 12 per cent. By the action of steam, slag may be made into a fibrous substance known as silicate cotton, which is a bad conductor of heat and sound, and is, therefore, useful for covering boilers, and filling up spaces between adjoining rooms.

SLANDER.—(See DEFAMATION.)

SLANDER OF PATENT.—(See SLANDER OF TITLE.)

SLANDER OF TITLE.—This is a tort (*qv*) which consists in a false statement impeaching the title of a person to any property, real or personal, either by word of mouth or by writing. In order, however, that an action may succeed the plaintiff must prove three things: (1) that the statement was made maliciously, or not in good faith, (2) that the plaintiff has suffered special damage by reason of the slanderous statement; and (3) that the statement made is false. The term was once confined to statements made with reference to real

property, but it has been extended so as to cover trade libels or slanders.

Slander of title, as above stated, applies to all kinds of property, *e.g.*, patents, copyrights, etc. And as far as patents are concerned, this has been specially recognised by section 36 of the Patents and Designs Act, 1907, which is as follows: "Where any person (claiming to be the patentee of an invention, by circulars, advertisements, or otherwise, threatens any other person with any legal proceedings or liability in respect of any alleged infringement of the patent, any person aggrieved thereby may bring an action against him, and may obtain an injunction against the continuance of such threats, and may recover such damage (if any) as he has sustained thereby, if the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats."

"Provided that this section shall not apply if the person making such threats with due diligence commences and prosecutes an action for infringement of his patent."

SLATE.—A fine-grained, clay-like rock, which easily splits up into thin sheets. There are slate mines in various parts of Central Europe, and also in the United States and Canada, but the chief supplies are obtained from North Wales. Other slate-producing centres in the British Isles are Cornwall, the Lake District, and various places in Scotland and Ireland. Slate is usually grey or dull blue in colour, but it may be green, purple, or black, and a red variety is found in Quebec. Slate is both light and durable, and is, therefore, greatly in demand for roofing purposes. Tables, cisterns, and certain so-called "blackboards" are made of the larger, thicker slabs, and when these are polished and enamelled, they are used for imitation marble mantelpieces and architectural panels. Slate pencils are made by pressure from moist slate powder, or are cut from soft slate and afterwards turned.

SLAUGHTER-HOUSE.—For a very long period, and for a great many reasons, it has been necessary to place statutory restrictions upon the use of places for slaughtering animals. Originally these restrictions were imposed with the object of putting difficulties in the way of stealing horses and cattle. Stolen animals were frequently brought a long distance from the owner's stable or farm, taken to a knackers' yard or slaughter-house to be killed, and their carcasses were disposed of at the best price obtainable. But it frequently happened that, instead of the animals being killed, they were sold at a low price, the purchaser of an animal at a knacker's yard always expecting to pay very little more than the price obtainable for the dead body. It frequently happened, also, that unscrupulous keepers of slaughter-houses, instead of killing the old, decrepit, and diseased animals, delivered to them for that purpose, allowed them to live on, in spite of their suffering and pain, and compelled them to work simply because it was easy to find a purchaser who would pay more for the live animal than for the carcass. Accordingly, no person was allowed to keep any place or house for the purpose of slaughtering or killing any horse, ox, sheep, hog, goat, or other cattle (not intended for butcher's meat) without first obtaining a licence, and the licensee was bound to have his name up over his premises and keep proper books containing entries of all the cattle brought to be killed.

Further, all horses and other cattle had to be

killed within three days of coming to the licensed premises, and in the meantime they had to be provided with proper food. If a person had a licence to slaughter horses, he could not at the same time hold a licence to deal in horses. Licences to keep knackers' yards are renewable every year, and existing licences can be cancelled for breaches of the statutory regulations. (By a "knacker" is meant a slaughterer of animals not for human food.)

Prior to the year 1847 there were no statutory regulations for the slaughter of animals for human food. In that year power was given to license certain slaughter-houses and knackers' yards, and to prohibit the opening of any new slaughter-house without a licence being previously obtained, and all existing slaughter-houses were required to be registered. By-laws were also made to ensure cleanliness and prevent cruelty. No slaughter-house may be erected within 100 ft. of a dwelling-house, and there must be free ventilation by direct communication with the external air on two sides at least. No part of the slaughter-house may be below the ground-level, the approach to it may not be on an incline of more than one in four, and may not be through any dwelling house or shop. It must be well paved and drained, and thoroughly ventilated. No water-closet, privy, or cesspool may be constructed within it. All animals must be killed in such a way as to avoid unnecessary suffering. As a rule, they must be stunned or otherwise rendered unconscious before blood is drawn, but an exception is made to this rule with regard to a painless method of killing animals intended for the food of Jews, provided the animal is killed according to the Jewish method of slaughtering by a slaughterer who is duly licensed by the Chief Rabbi. The animals awaiting slaughter must be spared as far as possible from any contact with the sights or smells of the slaughter-house. The waiting pens must be separated from the slaughter chamber, which should be shut off by sliding doors. The pitch of the floor in, and the drainage of, the slaughter-chamber should be away from and not in the direction of the waiting pens. Care must be taken to prevent the floor from becoming slippery. Cattle should be slaughtered screened off from then fellows, and after they have been killed and bled they should be moved on and "dressed" in an adjoining room screened off from the view of animals entering the slaughter-chamber.

All places used for the slaughtering of cattle or for the sale of butcher's meat are liable to inspection by duly appointed inspectors, who may seize and condemn as unfit for human food any carcass or part of a carcass found upon the premises.

It is an offence punishable by fine to slaughter cattle for human food in any place that is not a public or licensed or registered slaughter-house, but this prohibition does not apply to animals generally, but only to animals whose carcasses are intended to be sold for human food.

It is an offence to start a new business as a knacker. Existing businesses may be continued subject to compliance with the statutory regulations, but the penalty for establishing a new business is a fine not exceeding £50, and a similar fine is payable for every day during which it is carried on. It is also an offence, punishable with the same penalties, to establish without the sanction of the county council a new business as a slaughterer of cattle or horses.

SLEEPING PARTNER.—This is the member of the partnership firm who invests money in the business but takes no active share in its management. Such a partner is also called a "dormant partner." Although to a certain extent in the background, if the name of such a partner appears in the firm name, or if he holds himself out as a partner, he is equally liable with each of the working or active partners for the debts of the firm to the whole extent of his property. (See **PARTNERSHIP**.)

In a limited partnership, a limited partner is a sleeping partner. (See **LIMITED PARTNERSHIP**.)

SLIDING SCALE.—The principle of the sliding scale is one by which the rate of wages to be paid to a workman is fixed according to the rise or fall of the market value of the product of his labour. Roughly speaking, it provides for an automatic rise and fall of wages according to the difference in prices. An example will make this clear. Suppose a workman, who is paid upon the sliding scale system, agrees to accept 10s. as a basis for producing a certain quantity of any commodity so long as it fetches 30s. in the open market. He is paid at the rate of 33⅓ per cent. If the market price of the article in question rises to 37s. 6d., i.e., 25 per cent., the workman's wages rise 25 per cent. also, and he is paid 12s. 6d. instead of 10s. If, on the other hand, the price falls to 27s., i.e., 10 per cent., his wages are reduced by 10 per cent., and he is paid 9s. instead of 10s. (See **REMUNERATION, SCHEMES OF, WAGES**.)

SLINGING.—This is a term used in shipping at various ports, to signify the charge made for putting the chains, ropes, etc., round the goods as they lie in craft alongside a ship, so that they are made ready for being hoisted on board. The charge for slinging is generally borne by the shipper of the goods.

SLIP.—The informal note or memorandum drawn up and passed between parties when a contract of marine insurance is being entered into. The term "covering note" is also used in the same connection. In order that the slip may have legal value as a promise to grant a policy, it must be initialled. Until this is done there is no contract concluded. Even after the stamped policy has been issued, the slip may be valuable as evidence to show (1) that there was in fact a contract, and (2) what were the terms of the same, in case any difficulty of construction arises. (See **MARINE INSURANCE**.)

SLIP BOOK-KEEPING.—This is the system of book-keeping wherein the actual documents, or carbon copies of same, are utilised as a posting medium, instead of posting from entries made in the ordinary books of account. The system has been in use for a considerable period in banking concerns, where the paying-in slip or docket is first dealt with by the cashier so far as the impersonal entry is concerned, and then handed to the ledger clerk who makes the posting to the personal account.

The system particularly adapts itself to posting up the sales and purchases of a business. In the former case, the invoices are made out in duplicate by the use of carbon sheets, and the carbon copies given to the sales ledger clerk, who posts the amounts to the respective ledger accounts and folios the copies, which are then filed in any method which may be considered as affording most facility for reference, e.g., alphabetically, or numerically, the references entered in the ledger being the numbers of the slips. The impersonal entry is made

by periodically totalling the slips themselves, or it may be, in the case of a business having several departments, by simply entering the amount of each slip in its particular departmental column in a book ruled for the purpose, and totalling daily or weekly, summarising these for total to sales account. Invoices for purchases are dealt with in a similar manner, after being checked and passed by a responsible person, and these are arranged and numbered to suit, or, in some cases, each invoice is numbered as received.

It may here be mentioned that loose leaf or perpetual ledgers, card ledgers, loose leaf work sheets, etc., which are dealt with under separate headings, are all variations of the slip system.

Among the advantages which the system possesses are the greater facility of dealing with the work consequent upon its being more capable of being divided amongst several, the minimisation of error, by reason of intermediate entries being omitted, and the fact that the ledger accounts are posted from facsimile or original documents.

The disadvantages may be briefly summed up by saying that extreme care and method must be adopted to guard against either loss or substitution of the documents.

SLIPS.—Platforms sloping towards the water, upon which ships may be built, overhauled, or repaired.

SMALL AGRICULTURAL HOLDINGS.—The legislation relating to the provision of small agricultural holdings by local authorities, and the mode of their acquisition by certain classes of small holders, is contained in the Small Holdings and Allotments Act, 1908 (8 Edw. 7 c. 36). This Act consolidates Acts covering the period from 1887 relating to small holdings and allotments; and the Act of 1908 also deals with both these descriptions of agricultural holdings. The law as to allotments will be found in the article under that title. In that article it was also mentioned that certain provisions of the Act common to both allotments and small holdings would be treated in the present article.

A small holding by the definition in the Act means an agricultural holding which exceeds one acre, and either does not exceed 50 acres, or, if exceeding 50 acres is, at the date of sale or letting, of an annual value for the purposes of income tax not exceeding £50. (As to "Agricultural" see titles **AGRICULTURE** and **AGRICULTURAL HOLDINGS**.)

At the passing of the Act there were already Small Holdings Commissioners, two or more, with the necessary officials appointed by the Board of Agriculture and Fisheries (see title). Their duty is to inquire and report, under the Board, as to the demand for small holdings in the counties, or what demand there might be if suitable land were available, and the extent to which it is reasonably practical to satisfy the demand. They are to confer with all such authorities or persons as may be of assistance, and take all necessary steps.

Provision by County Councils of Small Holdings. A County Council, which includes the Council of a County Borough, if of opinion that there is such a demand as justifies them in putting the Act in operation, may provide small holdings for persons who desire to buy or lease and themselves cultivate the holdings. But this does not mean that such persons must not do anything else than cultivate them.

Besides this discretionary power of providing

small holdings, a county council is compelled to provide them if required by a scheme under the Act which will be subsequently described.

Any council whether county, borough, district, or parish, may make representations to the Commissioners as to small holdings, and must supply the Commissioners with all reasonable information and assistance. The Commissioners report the result of their inquiries to the Board, and give their opinions, and if they receive any information as to a demand for small holdings they must communicate it to the councils.

The Board must consider any report and representations of the Commissioners as respects any county. If it decides a scheme should be made, it forwards the report with whatever modifications or observations it thinks well to make to the county council, who must prepare a scheme to give effect to the report, and whatever modifications have been suggested to meet the requirements of the Board.

If the county council declines or fails for six months to prepare a scheme acceptable to the Board, the Board may direct the Commissioners to do so.

The county council may without any report prepare a scheme.

Two counties may prepare a joint scheme.

Any scheme must be published and advertised as the Board directs, and notice given as to how objections may be sent to the Board. The Board may hold a public inquiry in any case, and must do so if the county council object to the scheme, or any modification is made by the Board in a scheme of their own. At the inquiry the county council, and other such persons as the person holding the inquiry may permit, are to be heard. The Board considers the report of the person holding the inquiry, and settles and confirms or annuls the scheme.

The county council must then carry the scheme into effect within a time mentioned in the scheme, or the Commissioners may be directed by order of the Board to do so. For this purpose they have all the powers of a county council under the Act and the Board may recover the expense as a debt due to the Crown. Every order for a scheme is to be laid before Parliament as soon as possible after it is made.

If loss results from any scheme, or is likely to result, the Board may bear the loss or any part of it with the consent of the Treasury, and this by Treasury minute is now a half.

2 Acquisition of land by County Councils. For the purpose of creating small holdings a county council has power to acquire land by purchase or lease under agreements, or compulsorily under powers in the Act which are set out below.

But a county council must not acquire land except at such a price or rent that its cost and all expenses incurred about it can be recouped out of the purchase money or the rents of holdings sold or leased to small holders. They must fix the purchase money or the rent paid by the small holders so as to guard the council against loss.

The county council before selling or letting may adapt the land as they think fit by fencing it, making roads, and drainage, and a water supply, if these operations are more economical when carried out for the land as a whole. Also, as part of the agreement of selling or letting a small holding, the council may erect buildings or adapt existing buildings

such as are necessary for the holding, and which cannot be made by the purchaser or tenant.

The cost is to be apportioned amongst the several holdings as the council think just, and they are to be offered for sale or lease in accordance with rules made under the Act.

3 Regulation, Management, and Terms of Small Holdings. The county council may sell or let one or more small holdings to be worked on a co-operative system. With the approval of the Board the county council may let a holding or holdings to any association formed to create or promote the creation of small holdings, if the division of profits amongst its members is prohibited or restricted.

The rules to be made by the county council relate to the manner in which holdings are to be sold or let, or offered for sale or letting, to guarding against a holding being acquired by a person unable to cultivate it properly, and to securing its proper cultivation. These rules must be confirmed by the Board.

The purchaser of a holding must pay not less than one-fifth of the purchase money. An amount not more than one-fourth of the purchase money may, if the council think fit, be secured by a perpetual rent charge. The rent charge is redeemable as under Section 45 of the Conveyancing and Law of Property Act, 1881 (44 & 45 Vict. c. 41). That is to say, the Board will certify as to the amount which a holder must pay to put an end to the charge, and he has to do so in the terms of that section. The residue may be secured by a charge on the holding in favour of the council to be repaid either (a) by half yearly instalments of principal with such interest, and within such term not exceeding fifty years from the date of the sale as may be agreed on with the council; or (b) if the purchaser so requires, with such interest and within the same term, by a terminable annuity payable by equal half yearly instalments.

The time of payment may be postponed by the council for not more than five years, in consideration of expenditure by the purchaser which increases the value of the holding, but on such terms as may prevent the council from incurring any loss.

Holdings purchased by the holders are subject to the following conditions for twenty years after sale, or so long as any purchase money remains unpaid—

- (a) Due payment of purchase money.
- (b) No subdivision, assignment or letting without the consent of the county council.
- (c) Cultivation by owner or occupier and user only for agriculture.
- (d) Only one dwelling house on a holding.
- (e) Such dwelling house to comply with sanitary requirements.
- (f) No use for sale of intoxicating liquors.
- (g) No erection of dwelling house without consent of county council.

The county council may relax condition (d).

Breach of any condition, if it cannot be remedied, is a cause empowering a sale by the county council.

On subdivision by intestacy or devise, the county council may require the holding to be sold within twelve months after the decease of the holder to some one person, and in default the council may cause the holding to be sold.

The council may, on giving notice, itself purchase. In these two cases the price is to be settled by arbitration in case of disagreement.

A rule so made by the council may, under special circumstances, be recorded in their minutes, be freed from all or any of the conditions imposed on the holdings.

Holdings on lease are subject to similar conditions. When the holding becomes free from the restrictive conditions, *i.e.*, after twenty years and payment of the purchase money, the holder can use the holding for other than agricultural purposes, whether it is in a town or not, or built or unbuilt upon. He must, however, offer it for sale first to the county council, and secondly to the person entitled to the land from which the holding was originally secured. The conditions on which the sale is to take place are the same as those laid down in the Lands Clauses Consolidation Act, 1845, when the promoters of an undertaking, such as a railway, desire to part with superfluous lands acquired compulsorily and not actually required for the purposes of the undertaking. There is a similar power for county councils to dispose of the land they have acquired, which is superfluous, for the provision of small holdings.

The county council cannot impose an annual charge on the county fund of greater amount than can be raised by a rate of a penny in the pound in any one year. If the charge at any time is equal, or nearly equal, to that amount, no further land is to be purchased for small holdings until the charge is decreased so as to admit of further purchase without exceeding the prescribed amount. This amount includes the annual payments in respect of loans raised for the purposes of small holdings.

A county council may delegate its powers in regard to small holdings to the council of any borough or urban district in the county, subject to such conditions as may be agreed upon.

Besides the creation of a class of small holders, as above described, a county council may advance money to the tenant of a small holding who has agreed with his landlord to buy it. The advance is not to exceed four-fifths of the purchase money. In all respects, except that the county council does not guarantee the title of the purchaser, the sale is on the terms set out above. The council is to be satisfied that the title is good, the sale made in good faith, and the price reasonable.

Further, the Board, if it thinks there ought to be small holdings in a locality, may, to demonstrate their feasibility, exercise the powers conferred on county councils (except the powers of acquiring land compulsorily and of borrowing); and the expenses are to be defrayed out of the small holdings account which will be dealt with below.

MATTERS COMMON TO SMALL HOLDINGS AND ALLOTMENTS.

1 Mode of Acquisition of Land. The purchase of land by councils by agreement is made under the agreement clauses of the Lands Clauses Consolidation Act, 1845, and the Public Health Act, 1875, s. 178. If compulsorily, under the Compulsory Clauses of the Lands Clauses Consolidation Act, subject to the directions and modifications of the Board.

For the compulsory hiring of land the council may submit to the Board an order to take land for not less than fourteen, and not more than thirty-five years.

In the cases both of purchase and hiring, the order must be confirmed by the Board.

Where the council proposing to acquire land

compulsorily is a parish council, the order is obtained through and carried out by the county council, but the land is conveyed to the parish council which pays the expenses. But the parish council may petition the Board directly if the county council does not act.

No order can authorise the compulsory taking of land which is part of a park, garden, or pleasure ground, or which forms part of and is occupied with the home farm of a mansion house or which is otherwise required for the amenity or convenience of any dwelling-house, or which is woodland not wholly surrounded by or adjacent to land acquired by a council under the Act, or which at that date is the property of any local authority, or which has been acquired by any corporation or company for a railway, dock, canal, water, or other public undertaking, or is the site of an ancient monument or other object of archaeological interest.

Regard is also to be had to the extent of land held or occupied in the locality by any owner or tenant, and to the convenience of other property held by him. As far as practicable, an undue or inconvenient quantity of land should not be taken away from any one tenant. Other such considerations should be regarded, and, as far as practicable, the displacement of any considerable number of agricultural labourers or others employed on or about the land is to be avoided.

No holding of 50 acres or less in extent, nor any part of such holding, is to be authorised by an order under the Act to be acquired compulsorily for small holdings or allotments.

The county council may compensate a labourer who has been regularly employed on any land acquired for small holdings, if its acquirement has caused him loss of his employment, and there is no equally beneficial employment to be obtained in the neighbourhood.

The tenancy of land compulsorily hired may, at the expiration of the original tenancy, be renewed for not less than fourteen, and not more than thirty-five years. Notice of not less than one year nor more than two must be given to the landlord; and in default of agreement as to rent, it will be settled by a valuer appointed by the Board, but otherwise on the terms of the original lease.

2. Right of Landlord to resume possession of land. If any such land is required by the landlord for building, mining, or other industrial purposes, or for roads necessary therefor, the landlord may resume possession of the land if the Board is satisfied. He must give twelve months' previous notice in writing; and as to part taking there must be a determination of rent by a valuer.

Special legislation was carried out during the war and the holding of allotment holders was protected. Powers in excess of the ordinary law were also placed in the hands of local authorities, but these are of a temporary nature only.

3 'Tenants' Rights to Compensation for improvements. Tenants have rights to compensation against a council for certain improvements mentioned in Part I of the Second Schedule to the Act as if under Sec. 42 of the Agricultural Holdings Act, 1908, which applies to market gardening; the consent of the landlord or notice to him not being required. (See TITLE.)

On the determination of the tenancy of land hired by a council, and on quitting the land, the council is itself entitled to compensation under the Agricultural Holdings Act, 1908, for any improvement

in Part I of the just mentioned Second Schedule, and for any improvement, in Part II of that Schedule, which was necessary, or property for adapting the land for small holdings or allotments, as if under Sec 42 of the Agricultural Holdings Act. (See TITLE)

Part I of the Second Schedule is as follows—

- (1) Planting of standard or other fruit trees permanently set out
- (2) Planting of fruit bushes permanently set out.
- (3) Planting of strawberry plants
- (4) Planting of asparagus, rhubarb, and other vegetable crops which continue productive for two or more years

Part II of the Second Schedule is as follows—

- (1) Erection, alteration or enlargement of buildings
- (2) Formation of silos
- (3) Laying down of permanent pasture
- (4) Making and planting osier-beds
- (5) Making of water meadows or works of irrigation.
- (6) Making of gardens
- (7) Making or improving roads or bridges
- (8) Making or improving of water courses, ponds, wells or reservoirs, or of works for the application of water power, or for supply of water for agricultural or domestic purposes
- (9) Making or removal of permanent sewers
- (10) Planting of hops
- (11) Planting of orchards or fruit bushes.
- (12) Protecting young fruit trees
- (13) Reclaiming of waste land
- (14) Warping or wening of land
- (15) Embankments and sluices against floods
- (16) The erection of wire work in hop-gardens
- (17) Drainage

A tenant of any small holding or allotment may before the expiration of the tenancy, remove any fruit and other trees and bushes planted or acquired by him, for which he has no claim for compensation, and may remove any tool-house, shed, greenhouse, fowl-house or pigsty built or acquired by him for which he has no claim for compensation

4 **Encouragement of Co-operative Societies.** A county council may promote the formation of and assist Co-operative Societies for the provision or profitable working of small holdings and allotments, and under regulations make or guarantee grants or advances to them

5 **The Small Holdings and Allotment Committee of a Town Council.** A small holdings and allotment committee must be formed by every county council, either wholly or partly of members of the council; but the members of the council must be a majority. All matters (except raising a rate or borrowing) must be referred to it, and the council must receive its report before exercising their powers under the Act; but the committee may delegate its powers to local sub-committees

6. **Arbitration and Valuation.** All questions under the Act that are referred to arbitration are determined by a single arbitrator as under the Agricultural Holdings Act, 1908. (See TITLE)

But where an order is made authorising compulsory acquisition of land by the Commissioners acting in default of a county council, the arbitrator or valuer is to be appointed by the Lord Chief Justice of England instead of by the Board.

SMALL BANKRUPTCIES.—In order to protect a small estate from the burden which might be imposed upon it by the ordinary bankruptcy costs,

and to simplify procedure, special provision is made for the administration of such estates. Thus when a petition is presented by or against a debtor, and the court is satisfied that the property of the debtor is not likely to exceed in value £300 the court may make an order that the estate be administered in a summary manner. If, after this order, the debtor is adjudged bankrupt, the official receiver becomes trustee in bankruptcy, unless the creditors otherwise resolve. No committee of inspection is appointed; but the official receiver may, with the permission of the Board of Trade, do all things which may be done by the trustee with the permission of the committee. Having received notice of his appointment, the official receiver holds a personal interview with the debtor, in order to decide how the estate shall be administered. The proceedings in a summary administration are not advertised in a local paper unless the Board of Trade so directs. If no proposal for a composition or scheme is lodged, or if the official receiver satisfies the court that the debtor has absconded, or that he does not intend to propose a composition or scheme, or that, if any composition or scheme proposed is not reasonable or calculated to benefit the creditors, the court may forthwith adjudge the debtor bankrupt. If during, or at the end of, the public examination the court is of opinion that a composition or scheme ought not to be sanctioned by reason of the conduct of the debtor, the court may forthwith adjudge the debtor bankrupt. All payments must, unless the Board of Trade otherwise orders, be made into and out of the Bank of England. The first meeting of creditors may be held on the day appointed for the public examination or on any other day fixed by the official receiver. If a *quorum* is not present, it is not necessary to adjourn the meeting. On an application by the bankrupt for his discharge, the certificate of the official receiver must not include, nor is notice to be sent to, creditors whose debts do not exceed £2. Further notice of meetings other than first meetings are only to be sent to creditors whose debts or claims exceed the sum of £2. Finally, the estate is to be realised with all reasonable dispatch, and where practicable, distributed in a single dividend when realised. In a small bankruptcy, a lease may be disclaimed without leave of the court where the bankrupt has not sublet the demised premises or any part thereof, or created any charge or mortgage upon the lease. The costs or charges of any person employed by the official receiver other than a solicitor may be paid and allowed without taxation, where such costs or charges are within the prescribed scale; but the Board of Trade may require them to be taxed.

SMALL DEBT COURTS.—These are courts which are established in Scotland by virtue of several Acts of Parliament for the recovery of debts of amounts up to £20. The presiding judge is the sheriff (*qv*), and he possesses all the jurisdiction of the ordinary sheriff court (*qv*). The proceedings are of a summary character, *i.e.*, similar to those of a court of summary jurisdiction (*qv*) in England. There is no right of appeal unless malice, oppression, or incompetency is alleged, or the court has no jurisdiction to try the case. If either party fails to appear at the hearing and no valid excuse is forthcoming for such non-appearance, judgment is pronounced against the absentee. The courts are held at frequent intervals in the different districts of every sheriffdom. The decree must be

pronounced not later than seven days after the hearing of the cause.

SMALL DEBTS.—These are usually dealt with in books of account by opening a "sundry debtors' account," to which the items are debited, and cash when received, credited, in the usual manner. If, however, they are great in number, a ledger indexed either exactly alphabetically or vowelically is of great service, as such an arrangement obviates the necessity of searching through a long list entered in chronological order.

SMALT. Glass coloured by oxide of cobalt (*qv*) and reduced to a very fine powder. It is used by paper stainers and in the production of blue colours in porcelain, tiles, frescoes, glass, etc. Artificial ultramarine is used as a substitute for smalt.

SMASHER.—A slang term applied to any person who is guilty of putting bad money into circulation.

SMOKE, CONSUMPTION OF.—The enormous consumption of fuel in a manufacturing country like Great Britain has given rise to a great nuisance in the shape of smoke, and within the last half century efforts have been made by legislation to compel manufacturers to reduce this nuisance to a minimum. There is a special Act relating to this applicable to London, viz., the Public Health (London) Act, 1891. Under the provisions of this statute any fireplace or furnace used in London for manufacturing purposes, and every steamer on the river Thames which does not consume its own smoke, and every chimney other than that of a private dwelling-house sending out black smoke in such a quantity as to be a nuisance is declared a nuisance, and the offender is liable to varying penalties, £5 for the first offence, £10 for the second offence, £20 on the third offence, and so on, the fine imposed being double the previous one for every conviction recorded. Outside London the statutes affecting this nuisance are the Public Health Act, 1875, the Public Health (Scotland) Act, 1897, and the Public Health (Ireland) Act, 1878, which impose obligations similar to those of the London Act, and make the offender liable to a fine of £5 and also to an order compelling him to abate the nuisance. Railways are specially legislated for, compelling a consumption of their own smoke, by the Railways Clauses Act, 1845.

SMUGGLING.—Smuggling is the clandestine introduction of prohibited goods, or the illicit introduction of goods by the evasion of the legal duties. Excessive duties present an overwhelming temptation to men to evade them. Legislation on the subject in England has been very active from the fourteenth century downwards. The gradual reduction of duties has brought the offence in the United Kingdom into comparative insignificance, and it is now almost confined to tobacco and saccharine. Most of the existing legislation on the subject of smuggling is contained in the Customs Consolidation Act, 1876. Signalling in the night-time or within 6 miles of the coast to aid smuggling is a misdemeanour. Vessels engaged in smuggling are liable to forfeiture, and their owners and masters to a penalty not exceeding £500. Assembling to the number of three or more to run, or assist in running, prohibited, restricted, or uncustomed goods, entails a penalty of £100; and procuring such assembly entails imprisonment for twelve months, and if persons are found armed or disguised for the purpose of running such goods, or are found armed and disguised with uncustomed, restricted, or prohibited goods within 5 miles of the coast or a tidal

river, they are liable to two years' imprisonment. Smuggled and prohibited goods are liable to forfeiture. Officers of customs have a right of search of vessels and persons. Fraudulent evasion or attempted evasion of customs duties renders the offender liable to forfeit either treble the value of the goods or £100 at the election of the Commissioners of Customs. Shooting at officers in the Army, Navy, or Coastguard, or officers of customs or excise, while on preventive duty is a felony. Rescue of goods and assault of revenue officers entails a penalty not exceeding £100. The Merchant Shipping Act, 1894, makes any seaman or apprentice, after conviction for smuggling, whereby loss or damage is caused to the master or owner of a ship, liable to pay to such master or owner such a sum as is sufficient to reimburse the master or owner for such loss or damage, and the whole or a proportional part of his wages may be retained in satisfaction of this liability.

SNUFF.—A powdered preparation of tobacco. There are small imports from France and Brazil, but the demand is chiefly supplied by the home-made article. The powder is prepared by grinding the chopped leaves and stalks of tobacco in which a certain amount of fermentation has been set up by warmth and moisture.

SOAP.—Soaps are classified as hard or soft. Both have a basis of fats or oils, but these are compounded with soda to form hard soap, and with potash to obtain the soft variety. Hard soaps are further divided into household, manufacturers', and toilet soap. The fats used are, on the whole, of a more solid nature than those employed for soft soap. They include animal and vegetable fats of various sorts, *e.g.*, tallow, lard, cocoanut oil, palm oil, and currier's grease. Among the oils used in the manufacture of soft soap are those derived from linseed, cotton-seed, hemp-seed, olive, poppy, etc., and various fish oils, such as whale oil and cod oil. The oils or fats are boiled in pans, and a solution of caustic soda or potash (according to the soap required) is added. The boiling is continued, the fatty substance and the solution (known as "lye") being alternately added until the mixture becomes heavy and transparent. The soap is separated from the lye by the addition of salt, which by rendering the soap insoluble causes it to rise to the surface. The salted liquid is then drawn off, and the soap, after undergoing further treatment, is cast into moulds. The later processes vary somewhat in the case of soft soap, which, when finished, is poured into casks. In the manufacture of toilet soaps, various colouring matters and perfumes are added, and the processes are often intricate. The common varieties are much adulterated by the addition of mineral salts, syrup of sugar, etc., which improve their appearance, but are in many cases injurious to the skin.

SOAPSTONE.—(See STRAITE).

SOAPWORT.—The *Saponaria officinalis*, a hardy plant of Asia Minor, so-called because its leaves, owing to the presence of saponin, produce a lather in water like that of soap. The liquid is used for cleansing silk and wool, to which it imparts a beautiful lustre. The plant yields a gum and a resin.

SOCIALISM.—"We are all Socialists now," declared a great statesman many years ago, and if he meant that men of all parties nowadays are keenly anxious to improve social conditions, and recognise more fully that men cannot divest

themselves of all responsibility for their fellows, his remark is perfectly true. If we rank as Socialists every man with any feeling of philanthropy or any enthusiasm for the betterment of the lot of the toiling masses of the land, the number will be large indeed. Socialism, say its advocates, is silently permeating all schools of thought, and, even while we inveigh against its advent, it is already upon us. At an ever-accelerating rate, on the platform, in Parliament, and in the Press, matters affecting the general well-being of the community obtain precedence of all others. Individual responsibility is constantly being diminished, collective responsibility is constantly being augmented. Separated from what is mere declamation and rhetoric as appropriate to the temperance reformer or to the vegetarian as to the Socialist, the essence of Socialism is:

(1) The collective administration of all rent and interest, so that to the individual accrues only the reward of his labour of hand or brain, and this reward is assessed and made effective by certificates showing the amount of labour rendered, which certificates on presentation at the Government warehouse will release goods produced by an equivalent amount of labour. The distinction between wages and profits and rent would disappear, for all would be salaried officials of the State.

(2) The control by the State of all instruments of production and distribution within the community. The collective authority of the State is to be substituted for the action of capitalist-employers. Socialism would impose on an already over-weighted Government duties which need, not alone perfect wisdom and absolute omniscience, but also the most unquestioning obedience, active and passive, on the part of those who compose the State. We may leave on one side the eloquence spent on the recognition of fraternity, and the universal obligation of personal service for the common good, for these are equally consistent with the capitalist system, and probably quite as likely to be found therein.

Socialism claims to promote the good of the whole as opposed to that of privileged individuals or classes, and it seeks to do so, not by reforming the present system, but by a complete change of system. In the ideal socialistic state, sympathy, communism of feeling, will be so strong, that each man will do his best independent of reward. "Inequality of aptitude will result in inequality of duties, but not of rights." Just as the able-bodied work for the needs of the whole family, so in the communistic system the same reward will be given to skilled and unskilled, to industrious and idle, to the genius who adds enormously to public wealth, and to the fool who does nothing but squander it. An hour's painting by Raphael and an hour's painting by a sign-board painter will be paid at the same rate, a song by Caruso and one by the latest aspirant to vocal honours will command the same recompense. For each man has done according to his capacity, and must receive according to his needs. There will be no money whereby to hide extortion, no competition with its attendant waste, no pauperism—for all will be State officials with a salary during working years and a pension afterwards, no debt—for the State will advance gratuitously what is required. Individual ambitions will be no more, for the good of all will be the dominating motive. Each member,

like a soldier in the Army, will perform his allotted task, so that by the exertion of only a small fraction of the present amount of labour all will live together in comfort, contentment, and peace.

The obstacle to the realisation of this Arcadia is the fact that, even in a socialistic state, men must be fed and clothed and sheltered. That is, the annual production must cope with the annual consumption. The corn and cattle which feed the millions, the clothes that cover them, even the houses they inhabit, are not products of a remote past, but of immediately preceding years, and the great driving power in the production of the world is the interest the worker has in improving his own or his family's circumstances. If along with private property we remove the hopes and fears that educe and stimulate ambition, energy, enterprise, thrift, and self-sacrifice, production cannot but flag and fail. Public spirit, the idea of doing one's best for the community, would to ordinary men be a quite inadequate substitute for the motives connected with private property, which now give at times an even morbid desire to labour and save. Production is, indeed, never far in excess of consumption; and if anything occurred by which production were slackened, there must inevitably be a shortage in the supply of food or clothing or shelter. The distribution of a few very large incomes among the masses would temporarily go a little way towards meeting the deficiency, but, if labour is much lessened, no possible redistribution can prevent a dearth from becoming manifest.

And the certainty of a greatly accelerated growth of population must be faced. Prudence, foresight, the keen sense of responsibility, the desire to maintain a high standard of comfort, all act strongly to retard marriage and diminish births; but such feelings would be absent from the socialist state where subsistence was assured, and individual responsibility was superseded by national responsibility. In the most favourable case there would be a difficulty about the allocation of the more desirable things—those of which the supply did not reach the demand, such as the best sites for dwellings and the pleasantest part of the country to live in. This difficulty would be intensified as the number of claimants increased, and would extend to more and more things, till ultimately there would be a difficulty in deciding to whom the barest necessities were to be distributed. It is a large assumption that the limited capacity of man could manage the complicated machinery necessitated by a socialistic scheme—except, indeed, by Anarchism, which would abolish Government altogether and return to the "state of natural innocence," as it gemially calls the days when the strong hand ruled, when might was right and justice lay with the most powerful. But even taking it for granted that the whole country could be organised as a vast co-operative society, in which all worked according to their capacity and received according to their needs, the socialistic régime would prove a disastrous failure, owing to the inability of Nature to cope with the multiplied calls upon her. The population question is, as in most social questions, at the base. Either the propagation of the species must be as strictly and sternly regulated as the operations of industry, or population would surpass subsistence. If society undertakes to provide a comfortable existence for all who are born, it must, to fulfil the obligation,

decide how many shall be born. The interference of the State, that is, must extend far beyond working hours, and reach to the controlling of all the actions of all individuals within it.

The absence of taxation is often held out as a blessing promised under the socialistic state, and it is perfectly true that no man would be asked for compulsory contributions, since the State allows him only a portion of what remains *after the public services have been supported*. Now, even when its proceeds are disseminated among the contributors, excessive taxation is an evil. It slackens the springs of industry, a man will not work very vigorously when, of the product of his labour, he himself receives but an infinitesimal portion. In the actual socialistic state, as it has been well said, a man's earnings are absorbed in his poor rate, and he receives a small amount of outdoor relief in lieu of wages. The bulk is devoted to payments for things in which he is only remotely interested, and if most people were incessantly striving to evade their fair share of work, the produce would fall so far short of what it now is, that all would be worse off. Not only would the rich be deprived of inordinate gains, but the poor, too, would suffer. The object so greatly desired by some, of lessening the inequalities of wealth, would be achieved by lowering, not alone the summits, but the whole range of wealth, and even if adherence to a prescribed standard of duty were achieved, there would be no motives to exceed this minimum standard. The worker in the socialistic state could perhaps be forced to perform a minimum task, but since the only result of extra exertion would be a trifling addition to what is shared out among the mass, the love of ease would preponderate. For there is nothing stirring and stimulating to faculties and feelings in the common operations of industry; and although vigorous work as for some time more pleasant than idleness, the pleasure does not persist beyond a very small number of hours. "In the long run, little more work would be performed by any than could be exacted from all: the limit to all irksome labour would be the amount which the majority would consent to have made compulsory on themselves", and the majority would not be very exacting. Subsistence being apparently assured, all checks to a rapid multiplication of population would cease to operate. The surplus, after all were fed and clothed, would certainly diminish, till all were at the same dead level—on the verge of starvation. Further increase would then be prevented by the impossibility of finding food for all, and the whole community would approximate to a pack of Australian aborigines, whose whole time is taken up by the satisfying of animal necessities.

The term "Socialism" is one of the vaguest in politics; and we need note only the hearty onslaughts of professing Socialists on one another to realise that little agreement as to aims and methods subsists among them. They agree in ascribing to the present system defects and disorders—and here the Individualist agrees with them—which can only be cured by changing the system completely, and here the Individualist would point out that reform is both more feasible and more effective than revolution. They all profess to see the causes of these disorders in the concentration of capital in the hands of a few men, who are thereby enabled to exploit the mass of their fellows. But in regard to private property, the Communists

alone would have it entirely forbidden; the Collectivists would restrict private property to consumption-goods; the Land Nationalisers would forbid private property in real estate, land and houses. There are State Socialists, who would greatly increase the powers of the general Government; Municipal Traders, who call on the local authorities to encroach more and more on the domains of private industry; there are the "Scientific" Socialists, whose gospel is Kárl Marx's *Capital*, and who teach that the present capitalistic era is merely a "historical category" destined to disappear before a newer and juster system; and many large-hearted and devout men call themselves Christian Socialists.

There is the same divergence of opinions as to the means of effecting the social revolution. The "silent permeation of society" advocated by the milder Fabian is replaced by the more heroic method of physical force in the writings of more violent missionaries. The Socialists of the first half of the nineteenth century appealed to the union of classes, the motto of those of to-day is the conflict of classes (*la lutte des classes*). And the extension of co-operation and of profit-sharing undertakings is eagerly applauded by some Socialists, while others denounce them as a paltering with the enemy and a tampering with the pure doctrine of Socialism.

Of the many subdivisions of opinion classed under the accommodating and comprehensive name of Socialism, two are examined in some detail: that of the Collectivist and that of the Communist. (See under those titles.) A separate article, too, is devoted to the antithesis of Socialism, that is, to Individualism. But it must be premised that the more wary advocates are reluctant to depart from their easy rôle of critic and adopt the hard part of creator. The onslaught on capitalism, and the reviling of its shortcomings, is the present stage of the agitation. It will be time enough to formulate definite schemes when the new birth is at hand. Moreover, say the "Scientific Socialists," the details are arranging themselves. Everywhere we see the concentration of the controlling power over industry into fewer and fewer hands, and when this process has reached its logical consummation, the State will simply have to step into the room of the single grand monopolist. The expropriators will be expropriated, the millions of the proletariat will assume their rightful place as the rulers over the few millionaires. The expropriation—or confiscation—would take place either without indemnity, or with a grant of subsistence for a term of years. The fact that, though industry may be concentrated, the ownership of the capital may be widely disseminated, offers no obstacle. "There can be no difficulty in dealing with anything that is constituted in the form of a society. It is only necessary to destroy the title-deeds, shares, or obligations, treating these dirty documents as waste paper. The collective appropriation of capital will thus be at once realised, without any disturbance in the mode of production." The method is certainly simple enough. Whether it would bring more evil than good in its train is a different and more difficult question.

Here we must examine an argument used against Socialism which is not the least tenable. The investment of capital under the present system is most economical, since the capitalist who invests unwisely is quickly eliminated from the ranks of

the controllers of labour, and can no longer waste public wealth, but, say the opponents of Socialism, there would under it be no self-acting check on foolish investment: losses in one direction would be made up from other sources at the disposal of the State. This would be perfectly true if the State were an organisation for making profit rather than an organisation for promoting the highest good of its subjects. For there are many directions in which labour and capital may be applied with benefit to the community, though without profit to the promoters. The construction of a lighthouse is a legitimate object of expenditure, and is a benefit not alone to the ships that escape wrecking by its means, but to the community whose trade is thereby facilitated. Yet it is not practicable to collect from those who are benefited to the amount of the benefit conferred, and as a profit-making concern the lighthouse must rank as a failure. So with the building of a road. It might be feasible to collect from the actual users a toll for its use, but how shall we estimate the benefit conferred on the shopkeepers whose goods are made accessible to more customers, on the landlords whose land is made more valuable, and on the house-owners whose houses command more rent? What one might call the "final utility" can be assessed in money price, the "total utility" will be immensely greater.

SOCIETY.—A combination of a number of individuals for the purpose of carrying on some specific undertaking, business or other. If the society is a joint-stock company, a building society, a friendly society, or something similar which can be registered so as to become a recognised legal entity, no difficulties need arise as to fixing liability in dealing with it. But if, on the other hand, it is an unincorporated body, it is necessary to ascertain with exactitude who is to be held responsible for debts incurred, etc.; otherwise a person dealing with it might be eventually without any remedy.

SODA ASH.—Anhydrous carbonate of sodium. It is a white, opaque, soluble solid, prepared in a variety of ways from common salt. The two best known processes are the Leblanc or "black-ash" process and the Solvay or "ammonia soda" process. The Solvay method has largely superseded the Leblanc process which was introduced in the early part of the nineteenth century, but is now likely to be itself superseded by more direct electrolytic methods. Hundreds of thousands of tons of soda ash are made annually for use in soap-making, glass manufacture, and for the bleaching of textiles. Soda ash is, therefore, one of the most valuable of chemical products, and its preparation is an important British industry.

SODA, BICARBONATE OF.—A powder prepared by the passage of a current of carbonic acid gas over soda crystals. It is much used as baking powder, and is also valuable medicinally for counteracting acidity. It is one of the ingredients of Sedlitz powders, and is used in the preparation of effervescent drinks.

SODA, CAUSTIC.—A white, fibrous solid, generally prepared by boiling lime and sodium carbonate together with water, and evaporating. It is much used in the manufacture of soap, paper, glass, and as a caustic alkali. It is the hydroxide of sodium, and its chemical symbol is NaOH.

SODA CRYSTALS.—The large, white, translucent crystals generally known as washing soda. The

substance is obtained by dissolving soda ash in water, boiling the solution, and allowing it to cool.

SODA WATER.—(See AERATED WATERS.)

SODIUM.—A soft, silvery-white, metallic element. It is the most widely distributed of all alkali metals, but is never found native. It occurs in many compounds, especially in common salt (*qv*) or sodium chloride, caustic soda (*qv*), etc., and is present in all animals and many minerals. It is generally prepared from the hydroxide.

SODIUM, CHLORIDE OF.—(See SALT.)

SODIUM, NITRATE OF.—(See SALTPETRE.)

SODIUM, SULPHATE OF.—(See GLAUBER'S SALT.)

SOFT GOODS.—The name given to goods that are manufactured of wool or cotton, or of both. The term appears to have been introduced into this country from America.

SOFT MONEY.—Bank notes are sometimes known by this name, in contradistinction to coins, or "hard cash."

SOLA.—(See FOREIGN MONIES—PERU.)

SOLA.—This word is the feminine form of the Latin *solus*, "single, solitary." It is a term used in connection with bills of exchange—the phrase "sola bills" is also met with—to signify that there is but one bill in existence, as distinguished from a bill which is drawn in a set. (See FOREIGN BILL.) The words "sola bill" are sometimes used in the body of the bill, e.g., in a bill drawn by a branch of the Bank of England on London, the words may be "Ten days after date pay this sola bill of exchange," etc.

SOLDER.—A fusible alloy, used for joining metals. Plumbers' solder consists of tin and lead, together with some flux, such as chloride of zinc, resin, or borax. Other solders are composed of copper and zinc, in proportion varying according to the article for which they are required. Jewellers use an alloy of copper, silver, and zinc for strong articles, but for gold jewellery a hard solder, consisting of 50 per cent. of gold, together with copper, silver, and zinc, is employed.

SOLD NOTE.—(See CONTRACT NOTES.)

SOLE.—A much prized flat fish, common round the shores of Great Britain, and supplied in large quantities to the English markets. It is found as far south as the Mediterranean.

SOLEMN FORM.—(See PROBATE.)

SOLICITOR.—For all practical purposes the legal profession in England and Ireland is divided into two classes, barristers and solicitors; and although the names are different in Scotland, yet there is a similar division in that part of the United Kingdom, the Scotch advocate corresponding to the English or Irish barrister, and the English or Irish solicitor being replaced by the Scotch law agent, which term includes writer to the signet, solicitor to the supreme court, procurator in the sheriff court, and every person entitled to practise as an agent in a court of law in Scotland.

The remaining portion of this article will be devoted more especially to the position of the English solicitor, the barrister having been dealt with under a separate title. A solicitor is a person who is duly admitted to the King's courts by the Master of the Rolls. Until the passing of the statute of 1919, solicitors, like barristers, had to be male persons. Now the two branches of the legal professions are equally open to members of either sex. Formerly the term "solicitor" was applied to those members of what is often spoken of

as the "lower branch" of the legal profession who practised in the Chancery Courts, whilst the name "attorney" was that applicable to those who practised in the Common Law Courts. Since the Judicature Act, 1873, the designation "Solicitor of the Supreme Court" has been given to all attorneys, solicitors, and proctors.

A solicitor is an officer of the Supreme Court. As such he has practically a monopoly of the right to act as an agent for litigants, *i.e.*, to prosecute or to defend actions on behalf of parties. (To avoid repetition and to save space the solicitor will be referred to throughout this article as a person of the masculine gender.) He has also a monopoly in conveyancing business, *i.e.*, in investigating titles, drawing deeds in connection with property, etc., for although any person may, if he chooses, draw up deeds of conveyance, etc., for himself, the work cannot be deputed to any person other than a solicitor. To a solicitor the general public go in the first instance when there is any necessity for legal assistance. And finally, in some cases, such as the attestation of absolute bills of sale (*qv*), no person except a solicitor is entitled to act. For any infringement of the monopoly of a solicitor, severe penalties are liable to be imposed on the initiative of the Law Society, which is now the name of the body which was formerly known as the Incorporated Law Society, and which is the body regulating the duties of solicitors.

A person who wishes to become a solicitor must serve an apprenticeship or clerkship under articles, which is known as service under articles. During this period the prospective solicitor is called an "articled clerk," though in Ireland the name "articled apprentice" is the name applied to him. The period of service, in the case of an ordinary person, is five years, though, as will be pointed out later, this period may be reduced in certain instances. The only persons who are exempt from serving articles altogether are barristers of five years' standing and certain colonial solicitors. But if a barrister wishes to become a solicitor, he must first of all be disbarred, *i.e.*, get his name removed from the list of barristers, and pass the final examination of the Law Society. The service under articles must always be with a properly qualified solicitor.

Before entering upon articles of clerkship a preliminary examination must be passed, unless the candidate is exempt by reason of having passed some other examination which is accepted as an equivalent. The list of these exemption examinations can be obtained from the offices of the Law Society, Chancery Lane, W.C. They are likely to be revised in the near future. Very rarely, and then through an application made to the Lord Chief Justice or the Master of the Rolls, a candidate for articled clerkship may be altogether excused the preliminary examination. When the preliminary has been got over, the contract of service is entered into. The articles must be in writing, and as it frequently happens that the prospective solicitor is an infant at the time he begins his professional studies, his parent or guardian signs the articles on his behalf. The stamp duty on the original articles is £80. The contract is required to be registered, and it must be produced to the registrar of the Law Society within six months of the date when it was made. The registrar, on being satisfied as to its due execution, enters in a book the names and addresses of the parties, the date of the articles, and the date of the entry. The registrar may,

before making the entry, require a verification of the articles by statutory declaration (*qv*) or otherwise, as may be thought fit. A fee of 5s. is payable on registration. A certificate of having passed the preliminary examination, or one of the examinations exempting from it, must be produced, or satisfactory evidence that the person named in the articles is not required under the regulations for the time being in force to pass a preliminary examination, *e.g.*, a person who has been a barrister or certain colonial solicitors.

Five years' service is the general length of apprenticeship, and at the end of that time if he is of age and has passed the prescribed examinations the articled clerk may become a solicitor. But this period may be shortened. Thus, the time of service is shortened by one year if one of certain examinations has been passed, *e.g.*, the London University Matriculation. Two years are excused in the case of those persons who have graduated (by examination) in arts or laws at any of the universities of the United Kingdom, or of those who have been barristers of at least three years' standing. The same exemption is granted, *i.e.*, a period of three years only as an articled clerk is required, if the person seeking to become an English solicitor has been admitted and enrolled as a writer to the signet, or a solicitor of the Supreme Court of Scotland, or a member of the Faculty of Advocates. And, lastly, clerks who have for ten years been engaged *bond fide* in a solicitor's office, on satisfying the authorities that they have faithfully, honestly, and diligently served as such are likewise entitled to the benefit of the two years' exemption. If the solicitor with whom the articles of clerkship are to be served dies, becomes bankrupt, or is otherwise disqualified before the termination of the five, four, or three years, as the case may be, the clerk's articles may be transferred to another solicitor. Thus, if an articled clerk serves four years with a solicitor who then dies, the service may be continued for another year with another solicitor and the four already served count in the articled clerk's favour in making up the necessary period of service.

There are three examinations to be passed by all clerks who are not exempted by reason of university or other qualifications—the preliminary, the intermediate, and the final. The intermediate examination is confined to the elements of law generally. In certain cases exemption may be granted from this test, *e.g.*, barristers who have been of five years' standing before being disbarred. The third is the chief test, and from it there is no exemption except in the case of colonial attorneys of seven years' standing. The examinations are held four times a year. The fees payable are £2, £3, and £5 respectively, but half these fees only are charged on a second or a subsequent examination, *i.e.*, if the candidate has failed at his first attempt. The final examination is divided into two parts—pass and honours—and the latter is a really difficult ordeal.

On passing the final examination the articled clerk is entitled to be admitted as a solicitor. He must give six weeks' notice at least before the first day of the month to the registrar in writing, stating his place of abode, and the name or names and the place or places of abode of the person or persons with whom he has served under articles. Admission is granted by the Master of the Rolls, and the stamp duty payable on such admission is £25.

Every solicitor must take out an annual certificate, otherwise he is disqualified from practising. During the first three years the fee payable is £4 10s. for London and £3 for the country. Afterwards the yearly fee is £9 for every solicitor practising within ten miles of the General Post Office, and £6 for every country solicitor.

The High Court exercises a controlling influence over solicitors, as they are officers of the court. This jurisdiction is exercised in a summary manner by equitable or punitive orders, disobedience to which renders a solicitor liable to attachment (*q.v.*). Thus, orders may be made enforcing the delivery up of documents to a client, the payment of money in accordance with an undertaking, and the delivery of a bill of costs.

Where a solicitor is guilty of professional misconduct an application may be made to the statutory committee of the Law Society by affidavit, and the committee will hear and investigate the charges brought against the solicitor. They have full power either to dismiss the charge or to report for or against the solicitor. The report is then brought before a Divisional Court of the High Court of Justice, and the judges may punish the solicitor by striking his name off the rolls, or by awarding a lesser punishment, such as suspension for a specified period, or an order condemning him to the costs of the proceedings. On a conviction for felony the solicitor may be struck off the rolls on the production of the certificate of conviction. In the last-named case there is no preliminary inquiry on the part of the committee of the Law Society.

A solicitor holds himself out as a person of special skill, and as such he is liable for any act of negligence on his part by which his client is damaged. It is not an easy matter to answer the question as to when an action for negligence will lie with a chance of success. A solicitor cannot be expected to be infallible any more than any other person who is presumably an expert in his special line. But a rough test may be applied by asking the following question: "Has the solicitor exercised the skill, diligence, or care that would reasonably be expected of a man in his own profession?" If the answer is in the negative— and the question is one entirely for a jury subject to the direction of a judge— then the client is entitled to judgment and should be awarded damages. Although it will not exonerate him altogether if there is a case of great ignorance displayed, a solicitor will frequently obtain the advice of counsel, *i.e.*, a barrister, to guide and assist him when the matter in question is one requiring careful consideration and judgment. Of course, the mere fact of losing an action in court, in the absence of any evidence of unskillfulness or negligence, will not give rise to any liability on the solicitor's part. The case may be lost through the weakness or other fault of the advocate, and for this the solicitor who briefs the barrister engaged in the conduct of the case in court can never be held responsible. But a solicitor is generally liable in contentious matters for the consequences of ignorance or non-observance of the rules and the practice of the courts, for want of care in the preparation of a case for trial, for non-attendance at the trial with the necessary witnesses, and for the mismanagement of so much of the conduct of the case as is usually and ordinarily allotted to the solicitor's branch of the legal profession. On the other hand, however, a solicitor is never answerable for an error

of judgment upon a point of new occurrence or upon the construction of a nice and doubtful state of affairs, or upon such matters as are usually entrusted to men in the higher branches of the law.

In all matters of litigation a solicitor has an implied authority to do everything that is reasonably necessary for the proper conduct of the case, but he has no authority to incur unusual expenses, such as the employment of counsel who may demand special fees or shorthand writers to take transcripts of the evidence at the trial, and when it is thought advisable to take expensive journeys or to spend large sums in any particular instances the client should always be consulted in the first instance and his sanction obtained in order that future difficulties may be avoided.

In all affairs of a non-litigious nature, *i.e.*, in matters connected with the conveyance of property, the preparation of mortgage deeds, the drafting of settlements, etc., it is the duty of the solicitor to make all necessary searches and to ascertain the true facts concerning the property with which he is called upon to deal. This is the solicitor's business, and if he damages his client by any act of commission or omission on his part, he will be liable to recompense the client in an action for negligence. Again, if he is employed to invest money upon mortgage, it is incumbent upon him to see that the property is valued and that the security is ample to cover the advance about to be made. Any negligence in this respect will render the solicitor liable to an action for damages. In the conduct of his business generally, the solicitor is bound to follow the lawful instructions of his client.

The authority which is given to a solicitor by his client is known as a "retainer." This may be given either verbally or in writing, unless the contract is one which needs evidence in writing according to the general law of the country. Thus, if the matter is one which cannot be carried out within a year, the retainer must be in writing to satisfy the Statute of Frauds. Also if the client is a next friend (*q.v.*) or other person who is to be responsible for the costs of an action brought by another, the authority must be given in writing. And if the client is a corporation the retainer must be under seal. But in any case writing is advisable, even though not legally necessary, so as to prevent disputes arising as to the fact of retainer, especially if the matter is such that prolonged relationship may arise. An authority to issue a writ should always be in writing, for general instructions to act on behalf of a client do not extend so far as to authorise the solicitor to issue a writ. But in all cases a retainer may be inferred from the conduct of the parties, and if there is evidence to the effect that the client has ratified the acts of his solicitor, the absence of writing will not affect the fact that there is the relationship of solicitor and client existing, *i.e.*, that a retainer has in fact been given. The solicitor can throw up the retainer for any reasonable cause, but he is bound to give adequate notice to the client so that the latter may take measures to protect himself in the conduct of his affairs. For example, he cannot throw up his retainer upon the eve of trial. But the client must, on request, supply all the necessary funds for briefing counsel, paying witnesses, jury fees, stamps, etc., and if he fails to do so the solicitor is perfectly entitled to stand upon his rights and to refuse to proceed.

A client may make any agreement he chooses (so long as the solicitor accepts) with his solicitor for conveyancing as well as for litigious work, but in order that the agreement may be binding, it must be in writing, and signed by the client or by his agent on his behalf. Such an agreement must be reasonable. There is a difference in the agreements which have reference to non-litigious and to litigious work. In respect of the former the solicitor must sue if he wishes to recover, but in respect of the latter, the agreement may be enforced by the order of the court. If there is no agreement, the solicitor must deliver his bill of costs before he can commence an action, and, unless the client is about to leave the country, a month must elapse between the delivery of the bill and the commencement of the action. The bill can be taxed either by the solicitor or by the client, but it cannot be taxed a year after its delivery by the client unless special circumstances are shown. What are the special circumstances which will enable the bill to be taxed after the year are determined by the judge or the master before whom the matter comes. Not only the clients but also the parties who are liable to pay the bill, such as mortgagees or lessees who have undertaken to pay the mortgagors' or lessors' costs, can obtain taxation, and so also can *cestui que trustent (qv)*. After the bill has been paid taxation can only be obtained on special circumstances being shown, but no taxation can be had more than a year after payment.

The solicitor is remunerated for his work by the charges that he makes, which usually consist of items for the attendances of himself and his clerks. But largely in conveyancing matters he is remunerated under the Solicitors' Remuneration Act, 1881, where a scale is provided based on the price paid for the property by the purchaser, or the amount lent by a mortgagee, or the rent reserved by the lessor. If the business does not fall within the class of cases to which the scale of the Act applies, the solicitor charges in the usual way, *i.e.*, by a fair remuneration for the work done. In practice, however, owing to the competition existing amongst solicitors, the scale fees are the exception rather than the rule, and the client should take care to have an agreement in writing as to the charges to be made before any work is undertaken.

In addition to the bill which the solicitor delivers, he is bound to supply a cash account showing the amount he has received from his client. It is often a question as to whether items should be placed in the bill of costs or in the cash account, and the matter becomes of importance if the client is thinking of taxing the bill, *i.e.*, going before a master of the High Court for an examination into the whole of the contents of the bill, for if an important item can be removed from the bill to the cash account, the bill may be reduced by one-sixth, which will throw the cost of the taxation on the solicitor. Thus, if the solicitor finds the amount that is paid to the revenue for estate duty, he must not include it in his bill, but place it in the cash account. Fees paid to counsel, even though the client finds the money, fees to witnesses, and jury and court fees are properly included in the bill.

The relationship of counsel and solicitor is one that requires consideration. If litigation is proceeding counsel must be instructed by the client through a solicitor, and the services of counsel are rewarded by an honorarium proportioned to the amount of money which is at stake, to the

importance of the issue and to the status of the counsel. There is no legal liability, as before noticed, imposed upon counsel either to the solicitor or to the lay client for negligence or non-attendance on a case, but if he is unable to attend personally he either returns the brief or provides a substitute, familiarly known as a "devil". At one time the "devil" performed the work without remuneration, it being supposed that the experience gained was adequate reward. Latterly, at first in the Chancery Courts, and later in common law practice, it has become the practice for barristers to divide the fees in the majority of cases with those who take their places, more especially if such attendance entails a journey. In important cases two counsel are usually briefed, a King's counsel, or leader, and a junior barrister. The junior draws the pleadings and prepares the case, but the conduct of it at the trial mainly falls to the leader, who opens, cross-examines the principal witnesses, and replies, if he is present. The fees payable are regulated by etiquette, the junior requiring two-thirds of the fees paid to the leader. This is a point of etiquette which is now very frequently ignored, and which has been very adversely criticised in many quarters.

Counsel are entitled to demand their fees when the brief is delivered. But the payment of the fees in advance is the exception rather than the rule, unless the counsel briefed is of such eminence that he can demand the prepayment. In fact, there is no prepayment in at least 90 per cent. of the cases which are brought into court, and circumstances are frequently such that a compromise has to be made in the long run. Counsel cannot sue for their fees, but if the client has paid the solicitor, and the solicitor fails to pay the fees to counsel, the solicitor is guilty of professional misconduct, which will render him liable to be suspended from practice, or in extreme cases to be struck off the rolls. But the Law Society are very chary about moving in such matters. If a barrister, either personally or through his clerk, has written a letter demanding payment from a solicitor, the Law Society will generally decline to act at all, as any interference on their part would reduce them to the level of a debt-collecting society.

A solicitor has a lien or a right to retain his client's papers and documents until his bill of costs has been paid, in fact he may use his lien as a weapon to enforce payment by embarrassing his client. He also has a right in some cases of actively enforcing his lien. There are two kinds of lien at common law, the retaining or passive lien, so called because the solicitor cannot actively enforce it, and the charging lien, which can be actively enforced. In addition, there is a right of lien which has been conferred by statute, and which is known as the statutory lien or charging order. This is better known and more commonly used than the charging lien, though there are many cases in which the former must be used if the solicitor desires the protection of the court. A large number of decisions have defined the nature and the extent of these various liens. As this is a matter of practice, no further reference is necessary here.

The statutory lien, or charging order, is obtained by a solicitor upon property recovered or preserved by his exertions, and he is entitled to apply to the court for an order charging the property recovered or preserved with the amount of his costs, and, if necessary, to apply to have his costs, charges, and expenses raised out of the property, whatever its

nature, tenure, and kind may be. The right to this lien may be barred by failure to make an application for six years. In this respect it differs from the charging lien, which is not subject to the provisions of the Statute of Limitations (*q.v.*). The charging order can be made on the interests of others than the actual client, where a benefit has accrued to them through the solicitor's exertions. It is treated on the principle of salvage. All conveyances and acts done to defeat the solicitor's right to a charge are void and of no effect against the charge, unless made to a *bona fide* purchaser for value without notice.

A solicitor is under certain disabilities in his relationship with his client. He cannot accept a substantial gift from his client beyond his fees. If he does so the client, or the client's executors if the client is dead, can obtain it back from the solicitor. To make such a gift irrevocable there must be a fixed, deliberate, and unassisted determination that the transaction shall not be impeached after the influence arising from the existence of the retainer has ceased to exist. But this rule as to gifts has no application in case of mere trifling matters. If the benefits which are to be derived by the solicitor are of small extent, the court will not interfere to set them aside upon the mere fact of the existence of a state of relationship of solicitor and client, and the absence of competent and independent advice. There must be proof of *mala fides*, or of an undue or unfair exercise of influence. This rule as to rendering invalid gifts made during the existence of the relationship of solicitor and client applies not only to gifts made in favour of the solicitor himself, but also in case of gifts made by the client to the wife or the children of the solicitor. It may incidentally be noticed that there is no harm done in the case of a will if there is a stipulation made by the testator that the solicitor shall be entitled to charge his usual costs, even when the will is prepared by the solicitor and also witnessed by him. The fact of the solicitor's witnessing the will does not render the bequest void, as would be the case if any other individual was concerned. (See *WILL*.)

A solicitor may not take an unfair advantage of his client in the capacity of vendor, purchaser, or mortgagee, nor may he take a secret commission. In the case of purchases from a client, if the propriety of the transaction is questioned the solicitor must show that he has given all that reasonable advice to his client against himself which he would have given against a third person.

In advocacy, the solicitor has a right of audience in all police courts and county courts, at coroners' inquests, and in all bankruptcy proceedings—even in appeals to the High Courts. He is also entitled to appear at Quarter Sessions where there is no bar, *i.e.*, where the barristers on the circuit in which the town is situated do not put in an appearance. This, however, is a very rare occurrence.

As many legal transactions must take place in London, it is the general practice for every country solicitor to have a London agent, who manages everything for the country client. In fact, certain London firms do nothing except agency work. There are well recognised rules existing amongst solicitors as to the sharing of costs in connection with all work done.

SOLICITOR-GENERAL.—This is the name of the junior of the law officers of the Crown, the senior being known as the Attorney-General (*q.v.*)

He is invariably a barrister—not a solicitor—of high standing in the legal profession, and although it is not essential that he should be a King's Counsel, it is very unlikely that a junior barrister would ever be appointed to the position. Again, it is not absolutely necessary that he should be a member of the House of Commons, but by the practice of the British constitution no man could retain the position of Solicitor-General for any length of time unless he had a seat in the House. Like the Attorney-General, he is a member of the ministry of the day, but without a seat in the Cabinet, and goes out of office, unless he has previously resigned or has been promoted to some other office, with the ministry. In recent times it has become the practice to advance the Solicitor-General to the dignity of Privy Councillorship.

His duties are practically the same as those of the Attorney-General, in fact, he acts as the Attorney-General's assistant, and takes his place on all occasions when the Attorney is unable to be present. So clearly is this recognised that the Solicitor-General is understood to have a vested right to succeed the Attorney-General should the latter resign or obtain preferment. There is also supposed to be an unwritten law that he may claim, subject to the prior right of the Attorney, any judicial office that may fall vacant during his tenure of office.

The office of Solicitor-General is less ancient than that of Attorney-General, as it does not date back earlier than the reign of Edward IV.

The salary attached to the post is £6,000 per annum, though the fees in addition for litigious work generally make the total more than double that sum. In consideration of this emolument, the Solicitor-General is no longer allowed to take private practice.

There is a separate Solicitor-General for England, Scotland, and Ireland.

SOLICITOR'S UNDERTAKING.—In cases tried *ex parte* (*q.v.*), the losing party is often anxious to have the whole matter reviewed by the Court of Appeal. In certain cases a stay of execution is granted unconditionally, but in other cases certain security has to be given, *e.g.*, the damages are ordered to be paid into court, and the costs to be taxed and paid. In the case of costs, however, it is an invariable rule that if the same are taxed and paid, the solicitor who receives them is responsible for the repayment of the same if the verdict and judgment obtained at *ex parte* is reversed in the Court of Appeal.

In banking matters, when a customer desires any of his securities which are held by a banker to be lent to his solicitor for inspection, written instructions should be taken from the customer. When the securities are handed to the solicitor, the solicitor should sign an undertaking to return them in the same condition as he receives them and not to change them or affect the banker's security in any way. Bankers have their own forms for use in these cases.

If the securities are to be given up to a solicitor, or anyone else, against payment of a certain sum, the letter of authority should specifically state the amount. The undertaking will then be to pay the amount or to return the securities. When there is an agreement or undertaking to pay a sum of money the document is, probably, chargeable with a stamp duty of sixpence.

SOLVENCY.—This is the state of a person who is in a position to pay the whole of his debts in full.

SOLVENT.—A merchant or other person is said to be solvent when he is able to pay the whole of his debts in full.

SOMALILAND PROTECTORATE.—The Somaliland Protectorate is that part of Somaliland which is under British protection, the remaining parts being supervised by the French and the Italians. The extent of the British dominion is about 68,000 square miles, and the native population is estimated at 300,000. It has about 400 miles of coast, and extends inland about 300 miles in some places.

Although there are hopes as to the future development of this protectorate, the trade at present carried on is confined to the sea coast and the land immediately behind. The products are chiefly cattle, sheep and goats, coffee, skins, and hides, ostrich feathers and gum.

The chief town is *Berbera* (30,000).

For map, see AFRICA.

SOMERSET HOUSE.—This is the great public office in the Strand which is now appropriated to the services connected with the Inland Revenue, Wills, and Probate.

SOU.—A French bronze coin, the twentieth part of a franc, equal in value to about one halfpenny.

SOUTH AFRICA, UNION OF.—The name applied to the federated dominions of the British Empire made up of Cape Colony, Natal, the Orange Free State, and the Transvaal. Each of these is noticed under a separate heading.

SOUTH AUSTRALIA.—**Position, Area, and Population.** South Australia (excluding the Northern Territory, which was transferred to the Commonwealth in 1911, and is dealt with under a separate heading) lies south of 26° south latitude, and the 138th meridian bounds the Commonwealth Territory on the east. Its area is 380,070 square miles, and its population about 446,000.

Coast Line. The south coast is about 1,600 miles in length, but along the whole of it there is but one important navigable river, the Murray. Deep indentations into the land are Spencer Gulf, penetrating nearly 200 miles, and containing Ports Lincoln and Augusta, and St. Vincent Gulf, penetrating 100 miles, and containing the good harbours of Largs Bay and Port Adelaide. To the west of Spencer Gulf, fronted by Kangaroo Island, is the dreary Eyre Peninsula, and beyond stretch the shores of the Great Australian Bight, with little shelter for shipping. East of St. Vincent Gulf Lake Alexandrina forms the outlet of the Murray, and a remarkable sand pit, nearly 90 miles long, runs north-westward along Encounter Bay, and encloses the long, narrow lagoon of the Corooong. The entrance to the Murray is very dangerous, and especially so when the winds blow strongly from the south, south-west, or west.

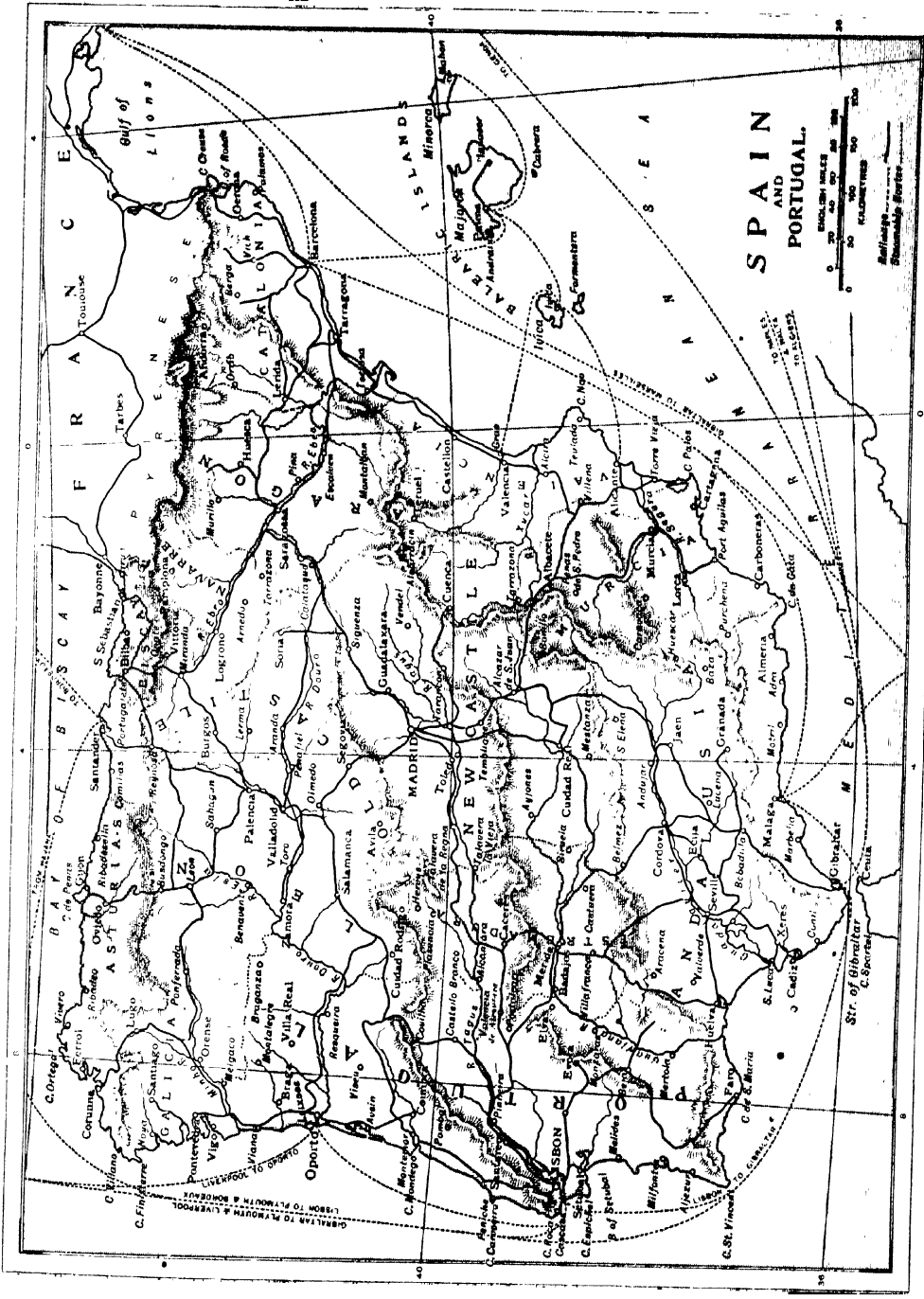
Build. Most of South Australia forms part of the western tableland of Australia, which has a low average elevation of less than 2,000 ft. East of the great tableland the land forms part of the Great Central Plains of Australia, which are mostly under 600 ft., and sink below sea-level in the Lake Eyre region. The plains are covered by a sheet of thick clay, deposited beneath a sea which once extended from the Gulf of Carpentaria, in the Northern Territory, to Lake Eyre in the south. Of the chief mountain ranges of the State, the Flinders Range runs east and north of Spencer Gulf, and the Gawler Range extends westward across Eyre

Peninsula. In the south-east, Mount Gambier is the most conspicuous of several ancient volcanoes. Larapinta Land, an elevated tract in the centre, is formed by the Macdonnell and James Ranges, which rise to heights of nearly 5,000 ft. Stuart Range is the divide between Lake Eyre and the Southern Lakes, and the Musgrave Range is in the extreme north of South Australia proper. North of Spencer Gulf lie the great salt lakes, the largest of which are Eyre, Gairdner, and Torrens. These lakes are expanses of mud encrusted with salt in the dry season, and even in the wet seasons they are very shallow. Lake Amadeus lies west of Larapinta Land. The rivers of the interior, flowing towards Lake Eyre, diminish rapidly in volume, and sometimes become quite dry. Cooper's Creek, the Diamantina, and the Finke are typical examples. In the south the Torrens, rising in the lofty Range, drains the hills east of Adelaide, but, like the Gawler River, it is of little use for navigation. The Murray has its lower course in South Australia, and is the only river of commercial importance. Though much of South Australia consists of apparently worthless scrub, and of arid desert, there are many grassy tracts in the vast interior suitable for grazing. Much of the colony yet remains to be explored. Small rainfall is not usually a bar to agriculture, and the progress of the science of agriculture bids fair to overcome some of the difficult problems provided by arid and semi-arid lands.

Climate. The climate, considering the whole region outside the tropical coast lands, may be described as hot, dry, and healthy. Two climatic regions may be distinguished: (1) The settled regions of the south, with a "Mediterranean" climate of dry, hot summers, and cool, rainy winters, its rainfall varies from 10 to 40 in. Adelaide has a mean annual temperature of 58° F., and a rainfall of 21 in. This region suffers from droughts, which occur with very serious effects at intervals of about eleven years; (2) the central region, with a low rainfall, hot summers, and warm winters, and great contrasts between the temperatures of day and night. Some parts of this area receive a moderate rainfall, and there seem to be important underground supplies of water.

Production and Industries. *Agriculture and Food Products.* Agriculture is of prime importance in South Australia. The plan upon which the State was founded, and the system under which the land was sub-divided into blocks, much smaller than are usually held in Australia, were directed towards the development of agriculture. South Australia has been called the "granary of Australia," and for the growth of hard, glutinous, "strong" wheats she possesses advantages in her climate and limestone soils. Wheat is the principal crop, and is confined to the vast plains of arable land in the settled south. The yield is moderate, being about equal to that of Argentina. Barley, oats, hay, hops, and potatoes are important crops. Fruit-growing is becoming an important occupation; excellent oranges, figs, and olives are produced. The volcanic soils of the south-east and the "Mediterranean" climate are specially suited to the growth of the vine, and South Australian exports of wine are yearly increasing. At Renmark, on the lower Murray, there is an irrigation colony similar to Mildura, and "Mediterranean" fruits, including the grape, are raised.

The Pastoral Industry. The pastoral industry has suffered from the aid given to agriculture.



Sheep, fed to the number of about 6,000,000, are the chief animals. Doubtless, when transport facilities have been developed, the pastoral tracts of the far interior will be utilised. Ostrich-farming on the eastern shore of Spencer Gulf is successfully carried on. Dairying is of very minor importance.

The Mining Industry. Copper, iron, silver, bismuth, tin, and gold are all found, but copper is by far the chief. Copper has been to South Australia what gold has been to Victoria. In 1845 the famous Burra-Burra mine, the richest copper mine in the world, was opened. It yielded enormous amounts, but is now deserted.

The Manufacturing Industries. There are a few iron works, clothing factories, and agricultural implement works.

The Fishing Industry. South Australia has many kinds of food fishes, but the industry is little developed. Goolwa and Port Victor are fishing stations.

Communications. The construction of the transcontinental telegraph, which stretches from Port Darwin, in the Northern Territory, to Adelaide in the south, a distance of more than 1,500 miles, did much to open up South Australia. Port Darwin has cable connection with Singapore, and Adelaide has telegraphic connection with Sydney and Melbourne. The railways are mainly confined to the south-east portion of the colony. There are over 3,000 miles of line. Mention should be made of the Transcontinental Railway which has been built from Port Augusta, in South Australia, to Kalbarrie in Western Australia, and which, in connection with various State lines, completed a through rail connection between Brisbane, on the east coast, and Fremantle, on the west coast of Australia.

Commerce. The chief exports of the State are wool, wheat, wheat flour, copper, fruits, wine, and olive-oil. The imports consist of textiles, coal, tea, sugar, iron and steel goods. Trade is mainly carried on with the United Kingdom, the other Australasian colonies, and British possessions. The chief ports are Ports Adelaide, Pine, and Augusta.

Trade Centres. The trade centres are the ports, and the agricultural, pastoral, and mining centres. The Province of South Australia, being mainly an agricultural and pastoral country, possesses few towns, with a population of 1,000. About one-half of the total population is congregated in the capital, Adelaide, and its suburbs.

Adelaide (225,000), the "model Australian city," is situated near the east side of the Gulf of St. Vincent on a plateau, on the river Torrens. It is a beautiful hill-girt city, with wide streets, fine avenues, and shaded squares.

Port Adelaide, the port of the capital, is about 7 miles distant on St. Vincent Gulf. It carries on the bulk of the trade, and since the completion of the series of railways connecting Sydney, Melbourne, and Adelaide, it has become the place at which the mails are collected and landed by steamers using the south coast route.

Port Pine, on the east side of Spencer Gulf, and 170 miles north of Adelaide, has large smelting works near it. Its trade is increasing. Wheat is an important export.

Glenelg, about 7 miles from the metropolis, is a favourite watering-place, and so are *Brighton* and *Semaphore*. The latter, on Laings Bay, can accommodate ocean liners.

Port Augusta is a wheat port at the head of Spencer Gulf.

Port Lincoln, near the south end of Eyre's Peninsula, is a wheat and wool port.

Gawler, north of the capital, stands on the river Gawler, and is the centre of a wheat-growing district.

Adelaide is 11,100 miles distant from London, and the time of mail transit is thirty days.

For map, see AUSTRALIA.

SOUTH-WEST AFRICA PROTECTORATE.

This Protectorate, formerly one of the German colonies and now administered under a mandate from the League of Nations, has an area of about 322,000 square miles and a population of about 250,000. The chief industry is diamond mining, while copper is mined successfully at places in the hinterland of the northern part of Swakopmund. The harbours in the Protectorate are Walvis (or Walvis) Bay, which belongs to Britain, and Luderitz-bucht. There are about 1,400 miles of railway, much of which was constructed during the war, to facilitate the British invasion of South West Africa from the south.

For map, see AFRICA.

SOVEREIGN.—This is the standard of the British coinage. Its weight is 123.27447 grams troy, and the standard fineness is eleven-twelfths fine gold (113.0016 grams), one-twelfth alloy, chiefly copper (10.2728 grams). When a sovereign has been in circulation for some time it becomes reduced in weight. When the weight falls below 122.5 grams troy it is no longer a legal tender. Gold bullion weighing 40 lb. troy is coined into 1,869 sovereigns. Professor W. S. Jevons says that from experiments he estimated the average wear of a sovereign for each year of circulation at 0.043 gram. "It would follow that a sovereign cannot in general circulate more than about eighteen years without becoming illegitimately light. This length of time, then, would constitute what may be called the legal life of a sovereign." Other persons have estimated its legal life to be fifteen or twenty years.

By 56 Geo. III, c. 68 (1816), it was provided that sovereigns coined weighing $\frac{3}{4}$ parts of a guinea were to pass for 20s. They were issued in 1817. Coins of the same name but of different value were first coined in 1489. (See COINAGE.)

SOY.—The soy bean is the product of the *Soya hispida*, a plant largely grown in China, Japan, and North India. A sauce is made from it, which is much used in these countries, and is also exported to the United States and to England, where it is added to many of the home-made sauces. The process of preparing soy takes two months. The beans are boiled, mixed with roughly ground wheat or barley, and salted. After being allowed to ferment, the mixture is strained and casked. An oil is also obtained from the bean, and is used in the preparation of a cattle-food and as a manure.

SPAIN.—**Position, Area, and Population.** Spain is a country which has fallen from a very high position. In the sixteenth century she was commercially and politically one of the greatest powers in Europe, and possessed vast colonies, now she is of small consequence in Europe, and has lost most of her colonies. With Portugal, Spain forms the Iberian peninsula, which is the western extremity of the European mainland. Continental Spain has an area of over 190,000 square miles, but including the Balearic and Canary Islands, and the possessions on the north and west coasts of Africa, the total area is nearly 195,000 square miles, or almost six times

the size of Ireland. The population is only about 21,000,000, and shows no signs of increasing to any very appreciable extent.

Coast Line. The coast line is very short for the size of the country, and is very regular in outline. In Galicia, lying on the north-west of the peninsula, there is a well-marked coast, and good natural harbours are to be found. The best natural harbours on the Mediterranean are at Barcelona, Cartagena, and Malaga.

Build. The greater part of Spain is occupied by a plateau, known as the Meseta, which has an average elevation of about 2,700 ft. in its northern, and about 2,000 ft. in its southern, half. The Cantabrian Mountains form its northern boundary, while the Sierra Morena form its south-eastern edge. "Sierras" or saw-toothed ridges, roughly parallel to each other, and running east and west, separate the lofty plains of the Meseta. Along the eastern edge of the plateau rise four rivers—the Douro, Tagus, Guadiana, and Guadalquivir—of which the three former, flowing south-westward to the Atlantic in deep gorges, are almost useless for commerce or irrigation; it is only when they approach the sea that these rivers cross open country. The Guadalquivir is the most important Spanish river as regards navigation, for the volume of its waters is fairly constant, and it winds with a gentle slope down to the sea. It drains the plain of Andalusia, the chief lowland of Spain. Of rivers flowing to the Mediterranean Sea, the Ebro, which drains the valley between the Pyrenees and the Meseta, is the most important.

Climate. Four climate regions may be distinguished: The North and North-West, the Meseta, the Andalusian plain, and the Mediterranean lands. The first region has summers neither hot nor very dry, and winters mild and moist; rain occurs at all seasons, and averages about 30 to 40 in. annually. The climate of the plateau is characterised by its low rainfall and great extremes of temperature, both daily and seasonal. High mountains prevent rainy winds from reaching the centre, and the average annual rainfall is well below 20 in. Andalusia enjoys a heavier rainfall (30 in. and over), and is less subject to extremes. The western margins of the Mediterranean and the Ebro valley possess the typical "Mediterranean" climate of hot, dry summers and mild, wet winters.

Industries and Products. *Agriculture and Food Products.* The Spaniards are largely dependent on agriculture, but their farming does not reach a high standard. Nearly one-quarter of the land is classed as unproductive, and this unproductivity is due to the mountainous nature of the country, the low rainfall in many parts, and the lack of knowledge of scientific farming on the part of the cultivators. The chief crops grown are wheat, barley, oats, and rye. In Old Castile there are great irrigation works, and excellent wheat is produced. On the terraced hillsides and coastal plains of Valencia, Murcia, and Granada, and in fertile Andalusia, excellent oranges, lemons, grapes, figs, olives, and other fruits are grown. Maize and tobacco flourish on the alluvial plains. Crops, specially characteristic of Spanish agriculture, are chick-peas, garlic, and onions. Esparto grass is a valuable product of the eastern coastal plains, and flax and hemp are grown in the north. Irrigation is essential for success in farming in a great part of Spain, and the Spaniards were provided with excellent examples of irrigation by

the Moors, but they do not, as yet, make the best use of water.

The Pastoral Industry. Almost one-quarter of Spain is used only for pasturage. The merino sheep is the chief animal, and Spain once had a reputation for her excellent wool. Cattle and goats roam over the plateau, and pigs feed in the oak forests of the south-west. Horses, mules, and asses are bred in Andalusia.

Forestry. Spain is not well forested. The slopes of the Pyrenees are clothed with forests of oak and beech, and the Highlands of Galicia and the Cantabrian Mountains are covered with deciduous forests. The cork oak grows in the south-west, while the Mediterranean lands have the characteristic olive, chestnut, and mulberry trees. On the plateau tree-growth is very limited.

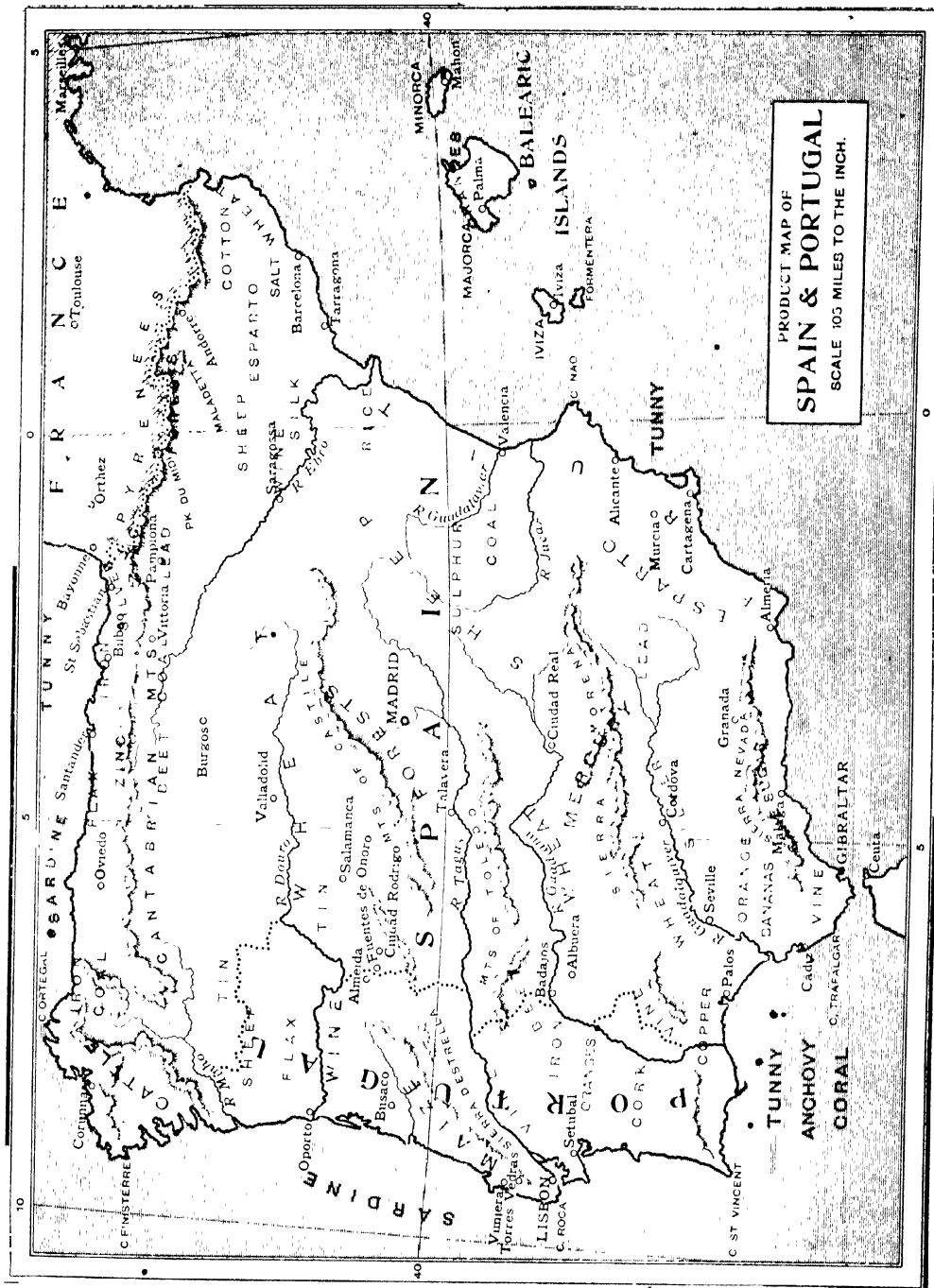
The Fishing Industry. Fishing is carried on round the coasts. The most important catches are those of sardines, anchovies, and tunnies.

The Mining Industry. Spain is rich in minerals. Iron is abundant in the provinces of Vizcaya, Santander, Oviedo, Huelva, and Seville; coal is found in Oviedo, Valencia, Leon, and Cordoba, zinc in Santander; cobalt in Oviedo, lead in Murcia and Almina; silver in Guadalupe; quicksilver in the south of the Meseta, at Almaden; copper in the south-west corner of the Meseta, near the Rio Tinto, and sulphur in Murcia and Almeria. Bay salt is largely produced on the southern coasts, and rock salt is plentiful in Guadalupe.

The Manufacturing Industry. The manufactures have been little developed, and the chief centres have been determined more by ease of communication than by local supplies of iron and coal, and in some localities have depended on the energy and skill of the people. Barcelona takes the lead in manufactures, and textiles are important there. Iron goods are made at Bilbao and San Sebastian, and this industry has led to an increase in the import of British coal. Iron is smelted in Oviedo, local coal supplies being utilised. Cloth is made at Palencia, pottery at La Granja, north of Madrid, and tobacco is manufactured at Seville. Silk-spinning and weaving are carried on in Murcia and Valencia, where the silkworm is chiefly reared. Xeres is noted for its sherry, which is exported from Cadiz, and the Ebro basin is noteworthy for "Farragona port." Many of the towns of the Mediterranean coast and Southern Spain have important industries in connection with the preparation of wine and fruits. Esparto-plaiting is carried on in the provinces which produce this grass. Minor manufactures are those of paper and leather.

Communications. The rivers flowing to the west, with the exception of the Guadalquivir, are of small use for trade, and in the Mediterranean section the Ebro, which allows sea-going vessels to proceed to Tortosa, is the only one of importance. Roads are generally poor, and the character of the country makes the construction of railways very difficult, hence Spain is under a great disadvantage as regards both water and land routes. Considerable extensions in the railways are, however, in progress. The present length of line is just over 9,000 miles. Madrid is the true centre of the railways, and is in touch with many of the coastal towns. Railways in Spain are part of no great continental route, and have merely local importance.

Commerce. The chief imports of Spain are essentially those of a practically non-manufacturing country, and consist mainly of machinery and other



manufactured iron goods, chemicals, textile fabrics, coal, sugar, and raw cotton. The exports are an index of the natural resources, being wine from Cadiz and Tarragona, metals and minerals from Bilbao, Santander, San Sebastian, Huelva, and Cadiz, southern fruits from the southern and eastern ports, and wheat, maize, flour, and esparto grass from Valencia, Alicante, and Cartagena. Great Britain, France, the United States, Germany, Belgium, Portugal, and Russia are the chief countries with which Spain trades.

Trade Centres. The chief towns are either (1) on the plain of Andalusia, (2) on the coast, (3) in the Ebro valley, or (4) in Old Castile.

Madrid (572,000) owes its importance to its central position, and to the fact that it is the political capital. It is subject to great extremes of climate. Tobacco, tapestry, and pottery are manufactured. From it railways diverge to Vigo and Coruña, to San Sebastian, Barcelona, Valencia, Cadiz, and Lisbon.

Barcelona (560,000) has a fine natural harbour, and is the chief port, manufacturing centre, and commercial capital. Its manufactures include textiles, hardware, and firearms. It acts as an outlet for the Ebro valley, and exports cork and nuts.

Valencia (233,000), on the Mediterranean coast, is engaged chiefly in the fruit and wine trade. Silk-spinning and weaving is an important industry, and it also manufactures glass and tiles.

Seville (155,000), at the head of navigation of the lower Guadalquivir, has a Moorish appearance, and around it orange orchards rise. It exports quicksilver, oranges, tobacco, wine, olive oil, and cork. Seville maintains its position as a seaport only by constant dredging.

Malaga (133,000) was one of the Moorish cities, and is a fine port on the Mediterranean. It ships large cargoes of southern fruits, wine, and tobacco.

Alora (125,000), on the Segura River, is the centre of a fruit-growing region, and has manufactures of glass and saltpetre.

Cartagena, at the mouth of the Segura, exports iron ore, fruit, and wine. It is one of the Spanish naval stations.

Valadolid is the great centre of the trade of Leon and Castile.

Cadiz is the chief Atlantic wine port.

Granada ("The City of the Moor") stands on the south bank of the Guadalquivir, and contains the wonderful palace of the Alhambra, a monument of Moorish prosperity. The region round is noted for its fruit.

The towns of the Biscay coast are *Coruña* (a calling station for liners), *Gijón* (the outlet for the Asturias), *Santander* and *Bilbao* (ports exporting iron ore), and *San Sebastian*.

In the Ebro valley the chief town is Zaragoza, while on the plateau Burgos, Valladolid, Leon, and Salamanca in Old Castile, and Madrid and Toledo in New Castile, are the chief towns.

The *Canary Islands*, off the coast of North-west Africa, are ruled as an integral province of Spain. Their area is a little over 2,800 square miles, with a population of about 153,000. The chief products are bananas, potatoes, and tomatoes.

Colonies. Spain lost most of her colonies to the United States during the war in 1898. Her present possessions are as follows—

Fernando Po, with other small islands, lies in the Gulf of Guinea. The area is 814 square miles, and

the population is about 24,000. The capital is *Santa Isabel*. Cocoa is the chief export, india-rubber and palm oil are also exported.

The *Muni River Settlements* are on the banks of the Muni and Campo rivers on the west coast of Africa. Area about 9,000 square miles; population, 200,000.

Rio De Oro and *Ahmar* occupy an area of about 70,000 miles on the west of the Sahara. Population, 12,000.

Mails are despatched to Spain twice a day. The time of transit to Madrid, which is 1,150 miles distant from London, is a little under two days.

SPANISH FLY.—(See *CANTHARIDIS*.)

SPECIAL BUSINESS.—As relating to meetings, particularly those of companies, special business is that of an exceptional or extraordinary nature transacted at a meeting. The articles of association of a company usually define what is ordinary business, e.g., to receive and consider the profit and loss account, the balance sheet, and the reports of the directors and of the auditors, to elect directors and other officers in the place of those retiring by rotation, to declare dividends, and to transact any other business which ought to be transacted at an ordinary meeting. "All other business transacted at an ordinary meeting and all business transacted at an extraordinary meeting shall be deemed special." Sometimes articles provide that special business may be transacted only at an extraordinary meeting.

In case of special business, articles generally provide that in the notice specifying the place, day, and hour of meeting to consider such business, the general nature thereof shall be given (i.e., it must give the members of the company fair notice of the matters to be dealt with). It is not enough to say merely that special business will be transacted.

Any insufficient or misleading notice will invalidate the resolution passed in connection with such special business. (See *NOTICE*.)

SPECIAL CASE.—Although the vast majority of cases which come before a court of summary jurisdiction (*q.v.*) are of a trivial character, it happens now and then that some novel point of law is involved and that an authoritative decision is desirable, a decision, in fact, which can be quoted as a precedent. Nothing that is done in a court of summary jurisdiction is of binding authority upon any other court, but if a matter is brought before the High Court and judgment is given, all inferior courts are compelled to acknowledge the judgment. Generally speaking, when such a point of law arises there is no dispute as to the facts of the case, or if there is any dispute and both sides are anxious for the matter to go to a higher court the facts are invariably agreed. The presiding magistrate or the justices of the court of summary jurisdiction are then asked to state a case. This consists in setting out the whole facts as given in evidence and setting forth the point of law upon which there is a decision required. The whole procedure is known as stating a special case. The reference is made to a Divisional Court of the High Court of Justice. It is in the discretion of a magistrate, in the first instance, whether he will state a special case. If he refuses, an *ex parte* (*q.v.*) application may be made to the Divisional Court for a rule *nisi* (*q.v.*) for a mandamus (*q.v.*) to compel him to do so. The arguments are afterwards heard on this rule *nisi*, and if it appears that the magistrate ought to have stated a case the rule is made absolute, that is, the magistrate

must obey the order of the court and do what he is asked.

SPECIAL COMMERCE. This includes the imports which are intended for home consumption, and the exports which are for the most part produced in the exporting country.

SPECIAL CROSSING. Where the name of a banker is written, or stamped, across the face of a cheque, either with or without the words "not negotiable," that addition constitutes a crossing and the cheque is crossed specially and to that banker.

The parallel lines which are necessary to constitute a general crossing are not necessary in a special crossing. The name of the banker may be between parallel lines, or it may stand alone without any lines, or it may be inside a square, or any other sort of margin. (See *CROSSED CHEQUE*.)

SPECIAL INDORSEMENT.—(See *INDORSEMENT*.)

SPECIAL JURY.—(See *JURY*.)

SPECIALLY INDORSED WRIT.—In certain cases a plaintiff can obtain speedy judgment in the High Court by means of the procedure known as Order XIV (*qv*), and in a county court by means of a default summons (*qv*). A writ, of course, only applies to the former, and this can be "specially indorsed," as it is called, when the claim is one which falls within Order III, rule 6, to which reference is made in the article *ORDER XIV*. It is most frequently made use of when the claim is on a bill of exchange, for the price of goods sold and delivered, or anything in the nature of a liquidated amount, though the order now covers other matters in which a money claim is not necessarily included. A writ is never issued by a county court, but in the case of a default summons the claim must correspond generally with the sort of claim which is made by writ in the High Court.

SPECIAL MANAGER.—A special manager is a person appointed to look after the business of a debtor for the purpose of preservation of the business and its beneficial winding up on behalf of the creditors. The official receiver may, if satisfied that the nature of the debtor's estate or business, or the interests of the creditors generally, require the appointment of a special manager of the estate or business other than himself, appoint a manager thereof to act until a trustee is appointed, and with such powers (including any of the powers of a receiver) as may be entrusted to him by the official receiver. The official receiver has an absolute discretion as to whether a manager shall be appointed or not. The manager must give security. He receives such salary as the creditors may decide to pay him, or as may be fixed by the Board of Trade. He is entitled to have reimbursed to him all the expenses incurred necessarily during the pendency of the petition.

He may be authorised by the official receiver to raise money or make advances for the purposes of the estate, where it appears to be necessary in the interests of the creditors. The court may, on the application of the Board of Trade, order a manager to file accounts.

SPECIAL RESOLUTION.—This expression is frequently misunderstood, since it consists of two parts. In the case of an ordinary meeting of a joint stock company, any resolution which can be validly put to the meeting is carried or rejected by a mere majority. This is an ordinary resolution. If a fundamental or serious change is contemplated, a meeting is called for the purpose, the members

having been previously made acquainted with the terms of the resolution to be submitted, and this change can only be effected by a three-fourth majority. This is an extraordinary resolution (*qv*). But even this is not sufficient. Another meeting must be called, at an interval of not less than fourteen days nor more than one month from the date of the extraordinary meeting, and then the extraordinary resolution must be again put to the members, a simple majority sufficing to confirm the decision of the members at the extraordinary meeting. Thus, whenever it is necessary by law for a special resolution to be passed, there are two meetings required, the extraordinary one and the confirmatory one, and the resolution is not validly passed until it has been adopted first by a three-fourth majority and afterwards by a simple majority, full notice having been given in each case of the purposes for which the meetings are convened.

The following are the principal cases in which the Companies (Consolidation) Act, 1908, requires that a special resolution shall be passed by the company:—

- (1) To change the name of the company.
- (2) To extend the objects of the company.
- (3) To make any alteration in the articles of association.
- (4) To return accumulated profits in reduction of paid up share capital.
- (5) To alter the nature of the share capital.
- (6) To re-organise the share capital.
- (7) To reduce the capital.
- (8) To allow any portion of the uncalled or unpaid capital to become payable only in case of winding up.
- (9) To extend the liability of directors.
- (10) To appoint inspectors to investigate the affairs of the company.
- (11) To convert a private company into a public one.
- (12) To wind up the company voluntarily.
- (13) To give certain powers to the liquidator when the company is in process of being wound up voluntarily.

As extraordinary and special resolutions effect a more or less considerable change in the nature of a company, and as the utmost publicity is the only natural return that can be demanded for the benefits conferred by limited liability, it is essential that these resolutions should be as much public property as the memorandum and the articles of the company. It is, therefore, enacted that a copy of extraordinary and special resolutions shall be forwarded to the registrar in order that he may record the same. Further, where articles have been registered, a copy of every special resolution for the time being in force must be annexed to or embodied in every copy of the articles issued after the confirmation of the resolution, and if there are no articles, a copy of every special resolution must be forwarded to any member at his request, on payment of one shilling, or such less sum as the company may direct. Heavy penalties are attached to a non-compliance with these rules.

SPECIAL SETTLEMENT. Dealings in stocks and shares are almost invariably effected for settlement on the following account day. Before this can be done, however, in the case of any new loan or issue of shares, the Stock Exchange requires certain formalities to be complied with, and the lodgment of certain documents, on the satisfactory completion of which it grants a first or special settling day for bargains, after which dealings are

A --No. 3954.

In the High Court of Justice.

KING'S BENCH DIVISION.

Between

Francis James Adamson

PLAINTIFF

AND

Edward John Baker

DEFENDANT

George the fifth, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, To

Edward John Baker

of *Thorp House, Shenford*
in the *County of Blankshire.*

WE COMMAND YOU, That within Eight Days after the Service of this Writ on you inclusive of the day of such Service, you do cause an Appearance to be entered for you in an Action at the Suit of

• *Francis James Adamson.*

And take notice, that in default of your so doing, the Plaintiff may proceed therein, and Judgment may be given in your absence.

Witness,

Lord High

Chancellor of Great Britain, the *28th* day of *November*, in the year of our Lord One thousand nine hundred and

N.B.—This Writ is to be served within TWELVE Calendar Months from the date thereof, or, if renewed, within SIX Calendar Months from the date of the last renewal, including the day of such date, and not afterwards

The Defendant may appear hereto by entering *an* Appearance, either personally or by Solicitor, at the Central Office, Royal Courts of Justice, London.

If the Defendant fails to deliver a defence within Ten Days after the last day of the time limited for *his* Appearance, *he* may have judgment entered against *him* without notice, unless *he* has in the meantime been served with a summons for judgment or directions.

(OVER.

for the ordinary settlements. That is to say, supposing a prospectus offering shares in a company appears to-day, the shares are duly applied for and allotted, and in the ordinary course of events a certain number of sales and purchases of these shares will be entered into; they will not, however, be for settlement on the following account day, but for "special settlement," which means that the purchaser will not have to pay for the shares, and the seller will not receive the purchase money until a day fixed by the Stock Exchange Committee for the purpose. Before granting a special settlement, the Stock Exchange Committee requires to be furnished with specimens of the scrip, bonds, or share certificates, a copy of the prospectus or advertisement of the issue, and various other particulars relating to the issue. Public notice of all applications that have been made to the Stock Exchange Committee for special settling days is made in the Press, and if the documents are in order, the Stock Exchange Committee, in due course, appoints a date for the special settlement, on which date all bargains entered into up to then are completed. Special settling days for bargains in shares, credited as fully or partly paid, which have been issued to vendors, are not granted until six months after the date of the special settlement in the shares subscribed for by the public. As refusal of a special settlement would render of no effect the numerous bargains entered into, it is unusual for the Stock Exchange Committee to make such refusal, although it often defers the granting of a special settlement on account of non-compliance with requirements. The granting of a special settlement is not tantamount to the granting of an official quotation, which is quite another thing, and is more difficult to obtain.

As a matter of convenience, special settlements are usually fixed for such dates as do not clash with the ordinary half-monthly settlement.

SPECIALTY DEBT.—A debt which is acknowledged in a document under seal—a deed. Such a debt is not barred by the Statute of Limitations (*qv*) until twenty years have elapsed.

SPECIE.—Something in its own form and essence. It is a common name used to designate gold and silver coins in contradistinction to bills and notes. The word is derived from the Latin *specie*, "I look or see."

SPECIE PAYMENTS.—These are payments that are made in bullion as distinguished from payments that are made by means of inconvertible paper money.

SPECIE POINTS.—Although this is the most common expression in general use, the same thing is sometimes denoted by the words "Bullion Points" and "Gold Points."

The term is used in connection with the Foreign Exchanges (*qv*), and denotes the limits of the rate of exchange when it becomes cheaper to transmit bullion from one country to another rather than to purchase bills. When the limits are reached, gold flows in, or out, of this country, as the case may be. If a merchant desires to remit money to Paris, he will purchase a bill upon Paris, unless he finds that the price asked for the bill is greater than the cost of sending coin to Paris.

If between two countries A and B the Mint Par of exchange is reckoned in the number of B coins equivalent to one A coin, then the incoming or import specie point from B to A is the Mint Par plus the cost of packing, shipment, and insurance;

whilst the outgoing or export specie point from A to B is the Mint Par minus similar charges. For example: the Mint Par between London and Paris is 25.22, the export specie point may be, say, 25.32, when it pays to send gold from France to England.

Specie points are liable to variation, approaching closer to the Mint Par if the price of carriage becomes less, but at any time, unless operations are disturbed by war or other exceptional circumstances, the *Cheque Rate* (*qv*) cannot go beyond the specie points, for it did a merchant having a remittance to make from the country against which the exchange stood, would choose to do it in gold rather than pay such a large price for the paper. (See FOREIGN EXCHANGES, MINT PAR OF EXCHANGE.)

SPECIE, TRANSMISSION OF.—There is always a risk attached to sending bullion from one place to another, and everything possible is done in the money market and in the banking world to prevent the transmission of coin. Paper money is made use of when a settlement can be arrived at by exchange, but it is obvious that there must be occasions when this method cannot be utilised. The risk of loss of specie in transit by train or ship may be insured against from the time of leaving its place of departure until it arrives at its destination.

When it is a question of a bank transmitting specie, the point for consideration is whether it is cheaper to insure the specie or to send a clerk with it, and this depends upon the quantity sent and the price of the railway ticket. The clerk's time also requires to be taken into consideration.

Where specie is sent by train as a parcel, the railway companies will insure it at the rate of one shilling for each £100, the company reserving to itself the right of inspecting, before effecting any insurance, all goods delivered to it for insurance, to ascertain that the consignment is in accordance with the declaration. A railway company usually sends an official along with cash when it exceeds £500. In addition to the insurance rate, the usual rate for carriers is payable. Insured parcels, boxes, etc., must be properly sealed by the senders.

Bullion and specie, the value of which is declared to the railway company, but on which no insurance is paid, is not conveyed by the company unless a consignment note is first signed by the consignor, declaring to pay the increased charge for insurance, or unless, in the case of regular senders, a general contract, called a general risk note (which needs a sixpenny stamp) is given notifying that they refuse to pay the increased charge for insurance which the railway company are entitled to demand under the Carriers' Act. (See CARRIERS.)

The insurance of specie is also effected by underwriters and insurance companies, at a lower rate than that charged by railway companies, the premium being about sixpence per cent.

SPECIFICATION.—The generally accepted meaning of this word is a detailed account of anything. In a commercial sense it signifies full particulars as to certain goods required, or work to be performed, when the goods are supplied or the work done by contractors or other persons. This specification is required so that an estimate may be made as to the cost, and that there may be some basis upon which parties may consider what work shall be undertaken.

In banking, when an amount is paid in to a customer's credit, it is customary to specify on

the paying-in slip how much of it consists of notes and how much of gold, silver, copper, cheques, bills, and post-office money orders. This is also called a specification. (See PAYING-IN SLIPS.)

In patent law the term signifies the detailed description of the device for which a patent is claimed.

SPECIFIC CHARGE. This is the term used to describe a mortgage of a *specific* part of a company's property. It thus differs from a floating charge (*qv*), in that the latter does not interfere with a company's right to use the property charged, even to the extent of disposing of it in the ordinary course of business, whilst in the case of a specific charge the company has no right of disposal.

Section 100 of the Companies (Consolidation) Act provides that every limited company shall keep a register of mortgages, and enter therein all mortgages and charges *specifically* affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of securities to bearer) the names of the mortgagees and persons entitled thereto.

A mortgage of certain specified chattels is a specific charge, and thus, amounting as it does to a bill of sale (*qv*) if given by an individual, would require to be registered with the registrar of companies in lieu of being registered under the Bills of Sale Act, 1882.

Where debentures are issued with a floating charge as security, it is usual to provide that the company shall not create mortgages in priority to or *pari passu* with the debentures. This provision is intended to prevent the holder of a subsequent specific charge ousting the debenture holders having a floating security. Debenture holders, however, should see that the trustee has in his hands the title deeds of any specific property included in the charge. If the deeds are left with the company, any person is justified in concluding that possession of the deeds indicates freedom from any charge. (See DEBENTURES.)

SPECIFIC PERFORMANCE.—This is the name given to an order obtained mainly in the Chancery Division of the High Court of Justice, under which a person or persons is or are commanded to do a certain thing. It is founded upon the idea that where a contract has been entered into, the person or persons bound should be compelled to carry out their part of it as nearly as possible exactly as they have promised. It is the relief applied for and granted in those cases where it is clear that the mere grant of money damages would fail to compensate the aggrieved party.

Specific performance is most frequently met with in those instances where a person has contracted to sell, or to grant a lease of, an estate, and refuses to complete his contract. By statute (Sale of Goods Act, 1893) the relief of specific performance is now extended to the case of the sale of articles of peculiar value, when it is impossible for the buyer to obtain others of the same kind in the open market. A refusal to obey an order renders the offender liable to attachment (*qv*) for contempt of court.

Specific performance will not be granted—

- (i) Where damages are adequate;
- (ii) Where the contract is for personal service;
- (iii) In any case where the Court could not superintend performance.

SPECULATION.—This is a commercial term of extremely wide signification, though its primary

meaning is the expenditure of capital with a view to a profit being made. In this sense it is obvious that whenever a new business is established it is a case of speculation. Capital must be expended and profit is expected. Only time can tell whether the anticipations of the parties concerned will be realised.

In a more restricted sense, as conveying the idea of hazard and risk, it is generally understood to signify the purchase of stocks, shares, or commodities with the intention of re-selling the same in a short time and of realising a large profit. In this way either large or small sums may be utilised. Speculation of this kind is most common in connection with the Stock Exchange. When a person purchases a security and has not the slightest intention of retaining it, he is in for what is called a speculative account, but if, on the other hand, he desires to keep his security he is said to invest.

SPECULUM METAL.—A hard, steel-white, brittle alloy, consisting of copper and tin in the proportion of 2 to 1. It is capable of a high polish, and is, therefore, used for the mirrors of reflecting telescopes. Silvered glass now enters into keen competition with it.

SPELTER.—This is the commercial name of zinc in its unworked state.

SPENCE'S METAL.—A substance obtained by the fusion of sulphide of iron and sulphur. It is greyish black in colour, melts easily, and is used, like lead, for joining pipes. Busts, medallions, and similar articles are also made of it.

SPERMACELE.—A waxy substance imported from the Pacific islands. It occurs in the oil obtained from the head of the sperm whale. The purified product is white and odourless. It is used, together with a very small percentage of wax, for the manufacture of sperm candles, which give a brilliant, steady light, and are employed as the standard for comparing the illuminating powers of other lights. Medicinally, spermaceti is used as an ingredient of various ointments.

SPICES.—The most important aromatic and flavouring substances are dealt with individually.

SPIEGELEISEN.—A German word, meaning "mirror iron." It is applied to a variety of iron containing about 5 per cent. of carbon and a much larger percentage of manganese, and chiefly used in the manufacture of Bessemer steel (*qv*). Upon fracture, the plates present a lustrous appearance, and to this fact the name is due.

SPIKENARD.—A Himalayan plant, the *Nardus*, and the aromatic oil obtained from its root. The perfume is much esteemed in the East, but in Europe spikenard is chiefly useful as a stimulant medicine. The substance is also known as nard.

SPINACH.—The *Spinacia oleracea*, cultivated as a kitchen vegetable throughout Europe. The succulent leaves are boiled, and mashed with butter, the result being a wholesome as well as appetising dish.

SPITS.—This is the name given to the instruments used by Customs officers for the purpose of examining goods in rolls, bales, etc., to discover whether there are any dutiable articles concealed in them. They are made of different materials. Some are of wood, like a paper knife, whilst others are long, pointed pieces of wire or steel, so made that they can be inserted with ease into the articles that it is desired to examine.

SPITSBERGEN.—(See NORWAY.)

"And I further say that have not been reimbursed or paid the value of the said stamps or any part thereof, by any other person or persons, and that if the value thereof shall be allowed by the Commissioners of Inland Revenue, I will not ask or receive any compensation for the same, or any part thereof, from any other person or persons or charge the same or any part thereof, in account or otherwise, to any other person or persons either generally or particularly, so as to be again paid or compensated for the same, or any part thereof, directly or indirectly in any manner whatsoever.

"And I further say that all the said stamps have been spoiled or become useless within the period of two years preceding the date hereof, and that the application made by me for an allowance for the value of the said stamps is without any fraudulent intention of collusion whatsoever.

"And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1835

"DECLARED at the Stamp
Office
at
this . . . day of . . . 19 . . .
Before me,
Distributor of stamps

"N.B.—In cases where the declaration is made by an agent of the principal or firm, the person authorised should be in a position to give full information as to the facts of the transaction. Any neglect of this regulation will probably lead to delay in the settlement of the claim."

When the application is entertained, stamps of an equal amount will be granted in lieu of the spoiled stamps, or cash will be paid instead, less a certain discount for the trouble involved.

SPONGE.—The commercial article known by this name consists of the porous skeletons of certain fixed marine animals belonging to the class of horny sponges which are distinguished for the softness and elasticity of their fibres. They abound in the Mediterranean Sea, especially off the coasts of Turkey and Asia Minor, where they are obtained by diving, dredging, or harpooning. They also occur in the waters round the West Indies, but these are of an inferior quality. Sponges are extensively used for domestic purposes, and are also valuable in surgery for their styptic properties. There is a large export trade from Smyrna.

SPOT.—This means that goods are on the spot ready for delivery.

SPOT PRICE.—This is another name for the cash price for immediate delivery, and is used in contradistinction to "forward" price, which means the quotation for delivery and payment at some future time.

SPRATS.—Small fishes of the herring family, found in large quantities round the coasts of Britain and also in the Baltic and off the French coast. They are used as a food, and, when dried and salted, are sometimes described as Norwegian "anchovies." It is also said that large quantities of the so-called French sardines are really sprats. Any surplus supply is used as manure.

SPREAD.—This is an American term used on the Stock Exchange. It signifies a "put and call" (*qv*), when the price at which the stock can be "put" is higher or lower than the price at which it can be "called," or *vice versa*.

SPRUCE.—A general name for several varieties of fir tree, of which the best known is the Norway spruce. The spruce is also common in the timber regions of Canada. The wood is exported as deal (*qv*), the bark is used for tanning; the young shoots are boiled down and used in the preparation of a wholesome drink known as spruce beer, and at Danzig as black beer; and the substance called Burgundy pitch is obtained as a resinous exudation.

SQUATTER'S TITLE.—When a person takes possession of a piece of land and settles upon it, he is sometimes known as a squatter. If possession is retained by him without hindrance of any kind for a period of twelve years, he obtains a good holding title to the land. (See POSSESSORY TITLE.)

SQUILL.—A genus of bulbous plants, of which the Algerian species, known as the *Scilla maritima*, is the most important commercially. From its bulbs a drug is prepared which is useful as an expectorant and diuretic, and is also valuable in cases of dropsy.

SQUIRREL.—A small rodent of wide distribution in Europe, Asia, and North Africa. In northern latitudes, the fur, which is usually reddish-brown in colour, becomes grey in the winter. It is in great demand for muffs, stoles, hats, coats, and also for linings, and large numbers of skins are annually exported to Great Britain from Russia and Siberia.

STAB.—(See FOREIGN WEIGHTS AND MEASURES.—GERMANY.)

STADION.—(See FOREIGN WEIGHTS AND MEASURES.—GREECE.)

STAFF, ORGANISATION OF.—Staff organisation, either in the factory or in distribution, is, in its broadest sense, a matter of the economics of production, whilst in its narrowest sense as applied to a particular business, its principles belong to the art of business or applied economics. "Division of labour implies economy of labour," it produces dexterity and sometimes improves skill, and it certainly leads the owner of a business to make a classification of his assistants according to capacity. Labour is the most costly item in production, and more particularly is this true of the production of immaterial wealth, the bank, the insurance office, and the newspaper.

Organisation of labour, coupled with a requisite amount of capital, leads to the displacement of the small business and the substitution of the larger undertaking. The business man in a small way must arrange his staff and allocate to each individual those duties for which he is the best fitted if he desires to be the one to found the larger business which, in the course of time, is to replace his present small establishment. If he fails to pay attention to this, amongst other economies, the time will come when some other will supplant him. The economic organisation of staff and of auxiliary capital was first shown by Babbage in his *Economy of Machinery and Manufactures* to be the cause of production on a large scale, and to-day this is accepted as axiomatic, whether in manufacture, transport, extractive industries or distribution.

In Bagehot's *Postulates*, page 84, we are informed that "nowadays it is a man at the far end of a telegraph wire—a Count Moltke, with his head over

¹ The applicant must sign on this line

some papers—who sees that the proper persons are slain and who secures the victory. So, in commerce, the primitive weavers are separate men with looms apiece, the primitive weapon makers, separate men with flints apiece. There is no organised action, no planning, contriving, or far-seeing in either trade except on the smallest scale, but now the whole is an affair of money and management—of a thinking man in a dark office, computing the prices of guns and woads.

This is very true, and of the two factors management is perhaps the most important. It should not be forgotten that the employer of labour is called upon to utilise, in the course of his business, all forms of labour from the lowest to the highest grade, and, whilst the lower grades of labour are much more numerous than the higher grades, it is essential that the business man shall realise first and foremost in the matter of organisation that industrial society does not consist of a few persons called employers having a peculiar capacity for business, a more or less complete education, and peculiarly fitted for the business of employing, and a much larger class of persons inferior, in every respect, to the few members of the first class, and known as employees. The employer should be anxious and willing to find that those he employs have a capacity equal to his own, and he should understand that the various grades of labour pass by the slightest of steps one into the other.

It is the employer's business to determine the particular grade of the particular individual and to employ him on work suitable to his attainments and capacity, or to educate him. Should no such work be forthcoming in the particular business of the employer.

What Staff Organisation consists of. Organisation of staff merely consists in seeing that the labour employed is sufficient for the purpose in hand, that there is no unnecessary superfluity, that each man is doing the job most suited to his attainments and capacity, and that the whole of the work is, by such arrangement, carried out expeditiously and without friction. How staff should be so arranged will depend entirely upon the particular business. The same organisation would not be suitable for the bank and for the cotton factory, but so far as office organisation and organisation of distribution are concerned, certain guiding principles may be laid down.

Arrangement of Positions. Every commercial concern should be carefully planned and its requirements considered in advance. The various positions should be arranged, and the amount of responsibility to be attached to each position carefully considered. Staff organisation is like the building of a house or the making of a piece of complicated machinery. Unless plans are made, duplication of parts and waste will be low, and there can be no stability in haphazard arrangement. Where any one of three persons might, in the course of their work, find the same job included amongst their duties, that job is likely to be left undone.

As each room of a house is self-contained, so should each department of a business be independent of other departments, but just as two rooms, by reason of their common wall, their common roof, and their common foundation are interdependent, so should the departments in a commercial house be interdependent. Thus, organisation consists of a division of the main business into independent, but at the same time interdependent, departments,

the subdivision of duties in each department, the selection of employees having the capacity to govern their own department and to co-ordinate with their fellows in charge of other departments of the business.

The principles upon which good organisation power rests include ability to prescribe exactly the area of operations allotted to a given individual without so tying his hands that any initiative he may have is lost.

It is almost impossible to set out the general duties, the amount of responsibility and the area of operation of the various members of a hypothetical staff, as so much depends upon the size of the business, the nature of its undertaking, and numerous other factors arising from case to case. Even in small offices, however, there should be well-defined division of duties, and, consequently, of responsibility.

Staff Training and Education. It has been said that specialisation makes it difficult for men to take an interest in their work and to become other than machines. In either a small or a large office this can be overcome by staff training and educational propaganda work, whilst, from a purely business point of view, interchangeability of employment amongst junior members of the staff may be a part remedy for this difficulty. It is certain whatever means may be adopted to counteract the drawbacks, that prevention of overlapping is as necessary in a small business as in a large one, perhaps more so, for, as a general rule, establishment charges in a small business are proportionately higher than in a large one, and every effort should be made by economy of working to keep down this form of expenditure, always, however, without loss of efficiency.

Sections of a Business. Most businesses are capable of division into two main parts, whilst an exceedingly large undertaking would probably have three. The two parts in question would be the operative on the one hand, and the secretarial and financial on the other. Where a third section appears, standing on an equality with the other two, it is obtained by the severance of the financial and secretarial duties.

Assuming, however, that the business is to be so organised that it naturally divides itself into the operative portion of the business under the works manager or traffic superintendent or shop manager, as the case may be, and financial and secretarial section, under the secretary, the sphere of influence of these officials is clearly defined by the terms of their appointment, and each should be responsible to the general manager or owner of the business.

The Secretary-Accountant. The whole of the clerical staff will come under the control of the secretary-accountant, who will take full responsibility in relation to financial and statistical duties and correspondence, and, in the case of a limited liability company, the general routine work of performing statutory duties. The secretary will have under his control, on the correspondence side, correspondence clerks, shorthand typists and minute clerk. In a smaller concern some of these offices will be collected in one person, care being taken to prevent overlapping of duties. On the financial side, the secretary's chief assistant is the assistant accountant, under whose control will be the invoice clerks, ledger clerks or book-keepers, and the various subordinates responsible for wages, costing and estimating. In this department, the

cashier is a most important official, and whilst often made directly responsible to the manager, whenever there is an official accountant, the cashier should be responsible to the accountant. Under the control of the cashier will be departmental cashiers, pay clerks, collectors, and travellers, where it is customary for travellers to collect accounts.

The secretary is brought into close contact with the operative side of the business through the accountant, who is responsible for the checking of waste, and for the preparation of financial statements directed towards economy in production and administration. Here should be close working with the operative management, so that the financial records of the details of every operation may be laid before the general manager in order that the various items of cost may be scrutinised in the light of experience. Thus, the secretarial department, through the accountancy staff, will be responsible, not only for the keeping of accounts, but also for the making out of financial statistics and records, for the preparing of costs, for the provision of estimates, and for the payment of all moneys due from the business. The cashier will be responsible for the receipt of moneys and payments out will be made by him only on the authority of the accountant. The division of work amongst subsidiary members of the staff is as important as it is in the higher grades; thus, where the work of preparing wages sheets is sufficient to occupy one clerk, whole time, it is uneconomical to allow him to act for part of his time as a cost clerk and for another part of his time as a wages clerk, unless the duties of each part of that service allotted to the particular employee are well defined and do not overlap the duties of another clerk.

It should be noticed that where the financial and secretarial duties are severed, the accountant and the secretary are generally considered as professional colleagues, but the secretary, on account of his preparation of reports, which may require financial and statistical details, should be considered the senior officer.

Operative Departments of Business. The operative departments of the business will vary in nature according to the class of business undertaken, *e.g.*, a coal-mining business will have a colliery manager at the head of its operative section, a parcel-carrying concern will require a traffic manager, an engineering works, a works manager. Generally speaking, the work of the operative section is technical, and responsibility and control should be in the hands of the person whom we will call the works manager. He should be subject to no outside interference, and in the works his orders should be final, as the keeping of discipline is much more essential in this department than in the secretarial department. On him will be placed the duty of planning beforehand and of looking ahead, as successful production can only be obtained by preparing beforehand for each job that is done.

In the organisation of a shop, the manager will have under-managers for each department, and directly under them will come the shop foremen, and responsible to the foremen will be the skilled and unskilled workers in the shop. Perfect organisation is absolutely essential, and the relationship between the stores and the shop should be well defined. It should be remembered that the foreman's place is amongst his workers, and that his time should not be spent in the stores, the warehouse, or the drawing office, and the work of each

department should be so organised that no time is wasted in production.

Outside Departments. With regard to departments outside the works and the office, some difference of opinion arises as to control and sphere of influence. Stores, forwarding departments, warehousing, and transport, come into close contact with both the operative and the secretarial departments. It is always advisable, however, to place each of these on the secretarial side, leaving the duty of production to the operative side, and of distribution and its corresponding clerical and financial duties to the secretarial department; thus, responsibility for stores will be vested in the assistant accountant, and he in his turn will be answerable to the secretary.

It may be remarked that just as the financial side of the business is closely in touch with the operative side, so, in its turn, is the operative with the financial, *e.g.*, the time-keepers who record the time of the men for purposes of making up wages are looked upon as part of the operative staff, whereas, in reality, they bring operations into touch with wages, costs, and estimates.

Finally, we must not lose sight of the fact that organisation is applied in common sense, and its aim is economy of working.

STAGS.—The Stock Exchange menagerie consists of "bulls," "bears," and "stags", but while the significance of the first two terms is fairly understood by the public, the same cannot be said of the lesser known term of "stag." The description of "stag" in the usual glossary to a work on the Stock Exchange is given much in the following manner—

"*Stag* A speculator who applies for a new issue when it is quoted at a premium, in the hope of obtaining an allotment and securing the premium by an immediate sale of his allotment."

This is a perfectly accurate definition, but we will endeavour to expand it somewhat, and make it a little clearer, if possible.

When a loan or issue of shares is offered for public subscription, it is a matter of uncertainty whether it will be fully subscribed or not, and on this account, as is described under the heading of UNDERWRITING, most such issues are insured against failure. If the public does not subscribe for a large portion of the issue, the underwriters have to take up and pay for the unapplied stock or shares, part of which they usually bring upon the market, endeavouring, as far as possible to sell their holdings, with the result that the stock immediately goes to a discount—that is to say, it is quoted and is purchasable at a lower price than that at which it has been offered to the public. Sometimes, however, the reverse occurs, and an issue is so well received by the public that it is largely over-subscribed, and applicants are allotted only a proportion of the amount of stock or shares they apply for. In this event, not only are the underwriters relieved of their obligation, but, there being a demand for the stock on the part of individuals who have been allotted only a portion of their applications, or on the part of those individuals who have not succeeded in obtaining any allotment at all in response to their applications, the stock is immediately quoted at a premium. In the case of some—although not many—new issues, it is possible at once to form an idea as to whether it is going to be over-subscribed, and in such a case numerous people apply for more stock

or shares than they intend taking up in the hope that they may be successful in obtaining a portion of what they apply for, and in the intention of immediately selling at the premium. In other words, they are not genuine investors, but are simply speculators; and, as premiums on new issues have, in many cases, a nasty habit of dwindling away when the issue is over, being often quoted merely with a view to encouraging applications on the part of the public, such individuals frequently sell a certain quantity before they know whether or not they have received an allotment. This is known as "staggering," and it is the desire of every issuing house in granting allotments, as far as possible, to weed out the "stags" who are only a source of weakness to the market.

STALE CHEQUE.—The contract entered into by means of a cheque is a simple one, and in accordance with the law of simple contracts the drawer is liable upon the instrument for six years after the date of the drawing. (See **STATUTES OF LIMITATION**.) He may be sued upon the cheque within that period if it has not been paid. But a practice has grown up amongst bankers of declining to pay a cheque which is not presented within a reasonable time, the cheque being generally known as "stale" when it has been in circulation for a considerable period. This is entirely a matter of custom and practice, for which there is no sanction in law, and a banker would apparently be quite right in paying at any time up to six years from the date of the cheque if he choose to do so. The practice of bankers is not quite uniform. Some bankers consider six months an unreasonable period for a cheque to be in circulation, whilst others think that twelve months should be allowed. When a stale cheque is presented for payment, it is usually returned marked "out of date," but if the stale date is confirmed by the drawer the cheque will be honoured, other things being all right, e.g., sufficiency of funds.

By section 45 of the Bills of Exchange Act, 1882, a bill of exchange payable on demand, which includes a cheque, must be presented within a reasonable time so as to hold an indorser liable, the indorser being, in this respect, in a more favourable position than the drawer. What is a reasonable time is a question of fact depending upon the special circumstances of the case, the law having declined to fix any particular limit. Six days from the date of a cheque have been held not an unreasonable length of time, whilst a great banking authority has laid it down that "in the absence of special circumstances, ten days or so would probably be held the limit." (See **CHEQUE**.)

A person who takes a stale cheque does so at his own risk. Primarily, the drawer remains liable, as has been stated, for six years. But if the holder does not present the cheque for payment within a reasonable time (when there are funds to meet it at the bank) and the banker is made bankrupt, the drawer is discharged through the laches of the holder, though the latter can prove for the amount of the cheque in the bankruptcy proceedings against the banker.

STAMP-AFFIXING MACHINES.—In business houses from which large numbers of circular letters go out, it is usual for the postage to be prepaid in money so that there is no necessity to affix postage stamps. An objection to this otherwise valuable labour-saving arrangement is that the postmarking of the letters indicates to the recipients that the

letters contain circulars. This "prepaid service" cannot be used unless the letters are chargeable with a uniform rate of postage, so that its use is practically confined to circular matter.

The ordinary outward mail may, with advantage, be stamped by one of the stamp-affixing machines now on the market. Such a machine is the Multipost Stamp Affixer, which will efficiently affix stamps of any value, while a recorder counts every stamp. When not in use it can be locked, and the stamps can then neither be affixed nor removed. It holds 500 stamps, which can be obtained from the post office in rolls.

STAMP DUTIES.—These are duties which are imposed upon the parchment or paper on which many legal documents are written. An unstamped document is of no legal validity and cannot be given in evidence in a court of law, if the court takes notice of the stamp omission, though in many cases it is possible for the document to be stamped even in court upon the payment of a penalty. The documents which cannot be stamped are noticed below.

It has just been stated that the absence of a stamp only prevents the giving in evidence of the document when the court takes notice of the omission, i.e., it is the duty of the presiding judge or of one of the officials of the court to take cognisance of the irregularity. It is contrary to the etiquette of the legal profession for an advocate to take exception to an unstamped document.

As to the kind of stamps to be used, reference should be made to the articles on **ADHESIVE STAMPS**, **ADJUDICATION STAMPS**, **APPROPRIATED STAMPS**, **DENOTING STAMPS**, and **IMPRESSED STAMPS**.

The following are the main provisions of the Stamp Act, 1891, dealing with the stamping of documents in general—

REGULATIONS APPLICABLE TO INSTRUMENTS GENERALLY.

CHARGE OF DUTY UPON INSTRUMENTS.

Charge of Duties in Schedule.

"1. From and after the commencement of this Act the stamp duties to be charged for the use of Her Majesty upon the several instruments specified in the first Schedule to this Act shall be the several duties in the said schedule specified, which duties shall be in substitution for the duties theretofore chargeable under the enactments repealed by this Act, and shall be subject to the exemptions contained in this Act and in any other Act for the time being in force.

All Duties to be Paid according to Regulations of Act.

"2. All stamp duties for the time being chargeable by law upon any instruments are to be paid and denoted according to the regulations in this Act contained, and except where express provision is made to the contrary are to be denoted by impressed stamps only.

How Instruments are to be Written and Stamped.

"3.—(1) Every instrument written upon stamped material is to be written in such manner, and every instrument partly or wholly written before being stamped is to be so stamped, that the stamp may appear on the face of the instrument, and cannot

be used for or applied to any other instrument written upon the same piece of material.

"(2) If more than one instrument be written upon the same piece of material, every one of the instruments is to be separately and distinctly stamped with the duty with which it is chargeable.

Instruments to be Separately Charged with Duty in Certain Cases

"4. Except where express provision to the contrary is made by this or any other Act—

"(a) An instrument containing or relating to several distinct matters is to be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the matters;

"(b) An instrument made for any consideration in respect whereof it is chargeable with *ad valorem* duty, and also for any further or other valuable consideration or considerations, is to be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the considerations.

Facts and Circumstances affecting Duty to be set forth in Instruments

"5. All the facts and circumstances affecting the liability of any instrument to duty, or the amount of the duty with which any instrument is chargeable, are to be fully and truly set forth in the instrument; and every person who, with intent to defraud Her Majesty,

"(a) executes any instrument in which all the said facts and circumstances are not fully and truly set forth; or

"(b) being employed or concerned in or about the preparation of any instrument, neglects or omits fully and truly to set forth therein all the said facts and circumstances;

shall incur a fine of ten pounds

PRODUCTION OF INSTRUMENTS IN EVIDENCE.

Terms upon which Instruments not Duty Stamped may be Received in Evidence.

"14.—(1) Upon the production of an instrument chargeable with any duty as evidence in any court of civil judicature in any part of the United Kingdom, or before any arbitrator or referee, notice shall be taken by the judge, arbitrator, or referee of any omission or insufficiency of the stamp thereon, and if the instrument is one which may legally be stamped after the execution thereof, it may, on payment to the officer of the Court whose duty it is to read the instrument, or to the arbitrator or referee, of the amount of the unpaid duty, and the penalty payable on stamping the same, and of a further sum of one pound, be received in evidence, saving all just exceptions on other grounds

"(4) Save as aforesaid, an instrument executed in any part of the United Kingdom, or relating, whosoever executed, to any property situate, or to any matter or thing done or to be done, in any part of the United Kingdom, shall not, except in criminal proceedings, be given in evidence, or be available for any purpose whatever, unless it is duly stamped in accordance with the law in force at the time when it was first executed.

STAMPING OF INSTRUMENTS AFTER EXECUTION.

Penalty upon Stamping Instruments after Execution

"15.—(1) Save where other express provision is in this Act made, any unstamped or insufficiently

stamped instrument may be stamped after the execution thereof, on payment of the unpaid duty and a penalty of ten pounds, and also by way of further penalty, where the unpaid duty exceeds ten pounds, of interest on such duty, at the rate of five pounds per centum per annum, from the day upon which the instrument was first executed up to the time when the amount of interest is equal to the unpaid duty.

"(2) In the case of such instruments hereinafter mentioned as are chargeable with *ad valorem* duty the following provisions shall have effect—

"(a) The instrument, unless it is written upon duly stamped material, shall be duly stamped with the proper *ad valorem* duty before the expiration of thirty days after it is first executed, or after it has been first received in the United Kingdom in case it is first executed at any place out of the United Kingdom, unless the opinion of the Commissioners with respect to the amount of duty with which the instrument is chargeable has, before such expiration, been required under the provisions of this Act:

"(b) If the opinion of the Commissioners with respect to any such instrument has been required, the instrument shall be stamped in accordance with the assessment of the Commissioners within fourteen days after notice of the assessment:

"(c) If any such instrument executed after the sixteenth day of May one thousand eight hundred and eighty-eight has not been or is not duly stamped in conformity with the foregoing provision of this sub-section, the person in that behalf hereinafter specified shall incur a fine of ten pounds, and in addition to the penalty payable on stamping the instrument there shall be paid a further penalty equivalent to the stamp duty thereon, unless a reasonable excuse for the delay in stamping, or the omission to stamp, or the insufficiency of stamp, be afforded to the satisfaction of the Commissioners, or of the Court, judge, arbitrator, or referee before whom it is produced:

"(d) The instruments and persons to which the provisions of this sub-section are to apply are as follows—

Title of Instrument as described in the First Schedule to this Act.	Person liable to Penalty
Bond, covenant, or instrument of any kind whatsoever	The obligee, covenantee, or other person taking the security.
Conveyance on sale	The vendee or transferee.
Lease or tack	The lessee.
Mortgage, bond, debenture, covenant, and warrant of attorney to confess and enter up judgment	The mortgagee or obligee; in the case of a transfer or reconveyance, the transferee, assignee, or donee, or the person redeeming the security
Settlement	The settlor
<i>Added by Section 74 (3) of the Finance (1909-10) Act, 1910—</i>	
Conveyances or transfers operating as voluntary dispositions <i>inter vivos</i> .	Grantor or transferor.

Agreement, or memorandum of agreement, under hand, not otherwise charged
Agreement for lease of a furnished house for less than a year, the rent not exceeding £25

(Agreement for lease, other than the above, same as lease)

Allotment.—(See LETTER OF ALLOTMENT.)

Appointment of new trustee

Appraisement or valuation of any estate or effects where the amount of the appraisement does not exceed £5

Not exceeding £10

Ditto £20

Ditto £30

Ditto £40

Ditto £50

Ditto £100

Ditto £200

Ditto £500

Exceeding £500

Apprenticeship Indentures

Arms, Grant of

Articles of Clerkship to solicitor—

In England or Ireland

In Scotland

Award

Bank Note, for money payable on demand—

Not exceeding £1

Ditto £2

Ditto £5

Ditto £10

Ditto £20

Ditto £30

Ditto £50

Ditto £100

(N.B.—This has no reference to Bank of England Notes. See BANK NOTE.)

Bankers' Cheque

Bills of Exchange (inland bills)—

When payable on demand; or at sight, or on presentation, or not exceeding three days after date or sight, for any amount, or when the amount does not exceed £10

When payable at longer date than three days—

Exceeding £10, and not exceeding £25

Ditto £25, Ditto £50

Ditto £50, Ditto £75

Ditto £75, Ditto £100

When the amount exceeds £100. Is. for the first £100, and an additional Is. for every fractional part of £100.

Foreign bills of exchange drawn out of the United Kingdom, but payable in the same manner as inland bills. Foreign bills of exchange drawn and expressed to be payable out of the United Kingdom, but indorsed, negotiated, or actually paid within the United Kingdom, are stamped as inland bills when they do not exceed £50.

Exceeding £50 and not exceeding £100
 Exceeding £100, for every £100 or any part thereof

Promissory Notes are stamped in the same manner as bills of exchange except that when on demand they are charged ad valorem.

Bill of Lading

Bill of Sale, Absolute.—(See CONVEYANCE.)

Bill of Sale, Conditional.—(See MORTGAGE.)

Bonds.—For securing an annuity, where the payments are for the term of life, or other indefinite period, for every £5, and every fractional part of £5 payable—

(a) If as primary security

(b) If as collateral security

For securing an annuity where the total amount is ascertainable, or for the payment of money, same as mortgage.

For customs or excise duties, same as mortgage bond, but not to exceed 5s

For other duties not specifically charged (including fidelity bonds), same as mortgage bond, but not to exceed 10s

On obtaining letters of administration (where the amount exceeds £100)

Capital Duty (Share)—

Companies and corporations with limited liability, on every £100 of nominal capital

Capital Duty (Loan)—

Issues by local authorities, companies, and corporations, on every £100 secured

But 2s. in the £ is repayable if the capital is applied in the conversion of an existing loan.

Cards (playing), for every pack

Certificate of solicitor, law agent, writer to the signet, notary public, conveyancer, special pleader, and draughtsman in equity (yearly)

If practising within ten miles of the General Post Office, London, or in the city or shire of Edinburgh, or in the city of Dublin or within three miles thereof

If practising elsewhere

(N.B. During the first three years after admission one half only of these fees is payable.)

Certificate of birth, baptism, marriage, death, or burial

Charter Party

Cheques

Collateral Security, for each £100

Commission of Lunacy

Contract.—(See AGREEMENT.)

Contract Note, for the sale or purchase of any stock or marketable security: where the value of the stock or marketable security—

	£	s.	d.		£	s.	d.
is £5, and does not exceed £100			0 0 6	Corporate and Unincorporate Bodies—			
Exceeds £100, Ditto £500			0 1 0	Upon the <i>net</i> annual value, income, or			
Ditto £500, Ditto £1,000			0 2 0	profits accrued in respect of all real or			
Ditto £1,000, Ditto £1,500			0 3 0	personal property vested in such bodies			
Ditto £1,500, Ditto £2,500			0 4 0	per cent.	5	0	0
Ditto £2,500, Ditto £5,000			0 6 0	(Subject to certain exceptions laid			
Ditto £5,000, Ditto £7,500			0 8 0	down in the Customs and Inland Revenue			
Ditto £7,500, Ditto £10,000			0 10 0	Act, 1885)			
Ditto £10,000, Ditto £12,500			0 12 0	Covenant—			
Ditto £12,500, Ditto £15,000			0 14 0	For repayment of money. (See MORT-			
Ditto £15,000, Ditto £17,500			0 16 0	GAGE)			
Ditto £17,500, Ditto £20,000			0 18 0	For original creation and sale of any			
Ditto £20,000			1 0 0	annuity. (See CONVEYANCE.)			
				For an annuity (except on original			
				creation and sale) or other periodical			
				payments. (See BOND)			
				Separate Deed of, made on occasion			
				of sale or mortgage, but not being an			
				instrument chargeable with <i>ad valorem</i>			
				duty as a Conveyance or Mortgage: same			
				duty as a Conveyance on Sale, or a			
				Mortgage, but not to exceed	0	10	0
				Declaration. —(See AFFIDAVIT.)			
				Declaration of Trust, not being a Will			
				or Settlement	0	10	0
				Deed of any kind not charged under			
				some special head	0	10	0
				Demise. —(See LEASE.)			
				Deputation or Appointment of a			
				Gamekeeper	0	10	0
				Duplicate or Counterpart—			
				Same duty as original, but not to			
				exceed	0	5	0
				Ecclesiastical Licences —			
				To hold the office of lecturer, etc. . . .	0	10	0
				For licensing a building for divine			
				service, etc., and any chapel for			
				solemnising marriages	0	10	0
				Licence not otherwise charged	2	0	0
				Equitable Mortgages under hand only.			
				For every £100 or part thereof . . .	0	1	0
				Hire Purchase Agreements—			
				Under hand	0	0	6
				Under seal	0	10	0
				Insurance Policies—			
				Life For any sum not exceeding £10	0	0	1
				Exceeding £10, and not exceeding £25	0	0	3
				Exceeding £25, and not exceeding			
				£500, for every £50 or fractional part			
				thereof	0	0	6
				Exceeding £500, and not exceeding			
				£1,000, for every £100, or fractional part			
				thereof	0	1	0
				Exceeding £1,000, for every £1,000, or			
				any fractional part thereof	0	10	0
				Accidental death, or personal injury,			
				or periodical payments during sickness	0	0	6
				Loss or damage to property	0	0	1
				Indemnity against loss under the			
				Employers' Liability Act, or the Work-			
				men's Compensation Act—			
				Where the annual premium does not			
				exceed £2	0	0	1
				Where the annual premium exceeds			
				£2:			
				If by agreement under hand	0	0	6
				If by deed	0	10	0

Continuation Notes are chargeable on one only of the two transactions embraced. Option Contract Notes are chargeable with half the above rates only, unless the option is a double one. Contract Notes following duly stamped option contracts are relieved from half the duty.

Contract or grant for payment of a superannuation annuity, for every £5 or fractional part of £5

Conveyance or Transfer.—

Bank of England Stock 0 15 6
Colonial Debenture Stock or funded debt, for every £100 or fractional part of £100, of nominal value transferred 0 5 0

By Sec 17 Finance Act, 1911, no stamp duty is required on Transfer of Government Stock by deed

Any stock (except as aforesaid), shares, marketable security or property, where the amount or value of the consideration for the sale shall not exceed £5 0 1 0

Exceeding £5 and not exceeding £10 0 2 0

Ditto £10 Ditto £15 0 3 0

Ditto £15 Ditto £20 0 4 0

Ditto £20 Ditto £25 0 5 0

For every additional £25 up to £300 0 5 0

If exceeding £300, then for every £50 0 10 0

N.B.—In cases where the consideration does not exceed £500 and the instrument contains a certificate as required by the Finance (1909-10) Act, 1910, sec. 73, that the transaction does not form part of a larger transaction or of a series of transactions in respect of which the consideration exceeds £500, duty is charged at half the above rates.

Conveyances by way of gift *inter vivos* are charged as conveyances on sale. Exceptions for marriage settlements, and certain gifts of property for preservation of open spaces, and for conveyances to appoint new trustees, etc.

Copy or Extract (attested or authenticated), the same duty as original, but not to exceed 0 1 0

Copyhold and Customary Estates—

If on sale, mortgage, or demise, the *ad valorem* duties under Conveyance, Mortgage, or Lease. Upon any other occasion—Surrender or grant made out of court, or the memorandum thereof, and Copy of court-roll of any surrender or grant made in court 0 10 0

Marine— £ s d.

(a) For or upon any voyage—			
Where the sum insured does not—			
exceed £250	0	0	3
exceeds £250 but not exceed £500	0	0	6
" £500 " " " £750	0	0	9
" £750 " " " £1,000	0	1	0
" £1,000, for every £500 and any fractional part of £500	0	0	6

(b) For time

Where the insurance is made for any time not exceeding six months, an amount equal to *three times* the amount which would be payable if the insurance were made upon a voyage.

Where the insurance is made for any time exceeding six months and not exceeding twelve months, six times the amount which would be payable if the insurance were made upon a voyage.

Leases—

A dwelling house, or a part thereof, for a definite period not exceeding one year, the rent not exceeding £10 per annum 0 0 1

A furnished dwelling house, or apartments in the same, for a definite period not less than a year, the rent for the term not exceeding £25 per annum 0 5 0

Lands or tenements at the following rents, and for the periods stated—

Exceeding	No. Exceeding	Up to 35 years	35 years to 100 years	Over 100 years
		£ s. d.	£ s. d.	£ s. d.
	£5	0 1 0	0 6 0	0 12 0
£5	£10	0 2 0	0 12 0	1 4 0
£10	£15	0 3 0	0 18 0	1 16 0
£15	£20	0 4 0	1 4 0	2 8 0
£20	£25	0 5 0	1 10 0	3 0 0
£25	£50	0 10 0	3 0 0	6 0 0
£50	£75	0 15 0	4 10 0	9 0 0
£75	£100	1 0 0	6 0 0	12 0 0
£100 (for each £50, or fractional part of £50)		0 10 0	3 0 0	6 0 0

An agreement for a lease not exceeding 35 years is stamped the same as an actual lease. £ s d

Letters of Allotment and Renunciation—

Less than £5 0 0 1

£5 and upwards 0 0 6

Letters Patent (Grant of honours or dignities)—

Duke	350	0	0
Marquis	300	0	0
Earl	250	0	0
Viscount	200	0	0
Baron	150	0	0
Precedence	100	0	0
Baronet	100	0	0

Congé d'élire to elect—

Archbishop or bishop	30	0	0
Any other honour	30	0	0
Change of name or arms (if done in accordance with the terms of a will)	50	0	0
Change of name or arms upon a voluntary application	10	0	0

Letters Patent, for inventions—

Application for provisional protection	1	0	0
Filing complete specification	3	0	0
On the notice of a desire to have the patent sealed	1	0	0

The duration of a patent may extend up to fourteen years, but this duration depends upon the payment of certain fees each year, otherwise the patent lapses at the end of the fourth year. The payment in respect of each year must be made before the commencement of the year, as follows—

For the 5th year	5	0	0
" 6th "	6	0	0
" 7th "	7	0	0
" 8th "	8	0	0
" 9th "	9	0	0
" 10th "	10	0	0
" 11th "	11	0	0
" 12th "	12	0	0
" 13th "	13	0	0
" 14th "	14	0	0

These fees are subject to revision, and are exclusive of certain other small charges.

Marketable Securities.—(See separate article.)

Marriage Licence—

Special	5	0	0
Other	0	10	0

Moneylenders' Registration 1 0 0**Mortgages—**

Not exceeding £10	0	0	3
Ditto £25	0	0	8
Ditto £50	0	1	3
Ditto £100	0	2	6
Ditto £150	0	3	9
Ditto £200	0	5	0
Ditto £250	0	6	3
Ditto £300	0	7	6

Exceeding £300, for every £100 and fractional part thereof 0 2 6

Transfer of mortgage, per £100 0 0 6

Reconveyance, release, per £100 0 0 6

Notarial Act (of any kind) except protests 0 1 0

Partnerships, Limited—

Fee payable on Registration 2 0 0

Statement of the amount contributed by a limited partner or of any increase in that amount. For each £100 or part thereof 0 5 0

Thereof 0 0 6

Passport**Patents.**—(See LETTERS PATENT)**Power of Attorney—**

To receive prize-money or wages	0	1	0
For sale, transfer, or acceptance of any of the Government funds not exceeding £100, nominal amount	0	2	6
In any other case	0	10	0
For receipt of dividends or interest of any stock, for one payment	0	1	0
In any other case	0	5	0
To vote at a meeting	0	0	1
Any other kind of power of attorney	0	10	0
Procurator , Deed or other instrument of	0	10	0

Promissory Note.—(See BILL OF £ s. d.
EXCHANGE.)

Protest of Bill of Exchange—

The same duty as the bill itself, but not to exceed 0 1 0

Receipts for £2 and upwards 0 0 2

Renunciation, Letter of.—(See LETTER OF RENUNCIATION.)

Revocation of any trust of property, not being a will 0 10 0

Scrap Certificate 0 0 2

Securities (transferable by delivery—
(1) Colonial Government Securities, and other securities dated between June 3rd, 1862, and August 7th, 1885, of which the interest is payable in the United Kingdom, same as mortgage

(2) Other securities, for every £10 or fractional part of £10 0 1 0

(3) Foreign share certificates, for every £25 or fractional part of £25 0 0 3

Settlements—

Any deed whereby a definite sum or share is settled upon or for the benefit of a person, for every £100 or fractional part of £100 0 5 0

Share Warrant, or stock certificate to bearer—

(1) British The duty is three times the transfer duty.

(2) Colonial For every £100 and fraction of £100 of the nominal value of stock 0 5 0

(3) Foreign For every £10 and also for any fractional part of £10 of the nominal value of the share or stock 0 4 0

Voting Paper or Proxy 0 0 1

Where a proxy is a general one, that is, where it gives the right to vote at more than one meeting, or the adjournment thereof, or at meetings generally, the duty is 10s.

Warrant for Goods 0 0 3

Many other duties are paid by means of stamps, such as Estate Duty, Legacy Duty, Reversion Duty, Succession Duty, etc. All these are fully referred to and set out in the articles specially devoted to the respective subjects.

STAMP DUTY, COMPOSITION OF.—Provisions are contained in the Stamp Act of 1891 to enable a company or corporation to compound with the Government for the stamp duty payable on transfers of its stock or shares. For the purpose of assessing the sum payable by way of composition, an agreement has to be entered into with the Commissioners of Inland Revenue, and an account delivered to them half-yearly, showing the nominal amount of all the stock (which also includes share capital) of the company, or the amount thereof in respect of which payment has been made, if the whole sums payable in respect thereof have not been paid. The duty has to be paid half-yearly, in advance, at the rate of 1s. per £100 of the amount appearing in the account. The Act gives power to companies which enter into this arrangement with the authorities to charge, in addition to any fee exigible upon the registration of any transfer of stock or shares, an amount not exceeding the amount of duty which would, in the ordinary way, have been payable on such transfer.

As a rule, the object in view when composition is resorted to is not a speculation for a profit at the expense of the Government, but in order to make the shares or stock a more attractive market, and thus encourage their circulation by a reduction, to the purchaser, of the cost of transfer. Companies and Corporations that have compounded, therefore, usually transfer their shares free of duty, this also acts as an inducement to applicants for new stock or shares—should further capital be sought at any time—as anything which makes for increased negotiability naturally finds favour with the investing public.

We may say that these provisions in the Stamp Act have not been taken advantage of to any great extent by ordinary commercial companies, but more by municipal corporations and public utility companies incorporated under special Acts of Parliament, further, we are informed by the authorities that it is not now then practice to enter into agreements under the Act with commercial companies. It would seem, therefore, that for such, the provisions as to composition are now a dead letter.

Section 115 (1) of the Stamp Act, 1891, states that—

“any county council or corporation or company may enter into an agreement with the Commissioners, if the Commissioners, in their discretion, think proper for the delivery of an account, etc.”

It is, therefore, within the power of the authorities entirely to suspend the application of the provisions, and, according to our information, this has been done in the case of commercial companies.

STAMP NOTE.—A certificate granted by a Customs official, giving permission for goods to be loaded on board ship.

STAMPS, CANCELLATION OF.—(See CANCELLATION OF STAMPS.)

STANDARD. A fixed point of value, quantity, or quality, by which everything of the same nature and character is composed. For example, take the coinage. British standard money is gold, the rest of the coins in use being merely token money, i.e., representing something quite different from their real value. Since there is no profit on coming gold, the Government bears the expense of the work. But in the case of the other metals in use the case is different.

STANDARD GOLD.—The gold which is used in the making of our coins. Pure gold is too soft for use alone. It requires a mixture of copper in order to harden it. The standard adopted is 22 parts gold and 2 copper. This is sometimes spoken of as 22 carat gold.

STANDARD OF VALUE.—A standard is really something which is invariable, something by comparison with which other things may be estimated independently of time and place. Thus, the standard of weight in the Metric System is the weight of a cubic centimetre of pure water at 4° Centigrade, and nothing could be more accurately defined: all the world over and this year, just as a hundred years ago, a gram is always the same. But *weight* is a physical quality inherent in the thing itself. *Value*, on the contrary, is not a quality of any one thing, but the relation which one thing bears to another. The value in exchange of a thing is measured by the quantity of other things for which it will exchange; in other words, by its power of acquisition. Value is, therefore, an imputed quality, and an unchanging unit for

measurement is difficult to find. The search for one is, however, worth while, for a merchant has sufficient perplexities to overcome in computation, in gauging the capacity and courses of markets, and in the risk of making wrong adventures. He ought not to be also tormented with fluctuations in the unit of measurement of value. The ideal money would be money having a unit with a steadfast general purchasing power: its relation to the whole stock of goods in the market would be invariable, so that of all kinds of goods, the prices of some having risen while the prices of others had fallen, the unit would command always the same quantity. To put the general statement into a particular instance: if the sovereign were the standard unit of value, it would, in 1920, command just the same amount of wood and iron, corn and wine, as it did in 1820. Now, though the peculiar properties of gold make it of all commodities the least liable to fluctuation in value, the title "standard unit" is not quite appropriate. Gold is approximately the ideal money, but slow secular movements occur which impair its stability of value. Improved methods of production, the discovery of more prolific mines, the invention of substitutes by means whereof the use of gold is obviated, all these may and do cause the value of gold to fall. In other words, lessened cost of production and decreased demand cause gold, like other commodities, to be depreciated, and prices rise: that is, more gold than before is required for goods in general. Owing to the huge antecedent production which remains in existence almost in its entirety, the relatively small annual output has slight effect on the value; but lessened cost in procuring gold will undoubtedly, in the long run, lower the value. Conversely, an increased demand for gold will bring about a rise in the value of gold, mirrored and proved by falling prices. In whichever way the "standard" varies, there is a disturbance of contracts, in one case the debtor class, in the other case the creditor class, is unjustly benefited or defrauded. If prices rise, the man who has debts to pay can pay them with less labour; the man who receives payment cannot obtain so many things with the money received. Is a unit conceivable which would obviate these injustices and serve accurately to measure values at different times and places? Economists in their attempts to arrive at an instrument for measuring values of such precision as the chemist's delicate balances, have adopted many plans. Thus the "tabular standard" may be regarded as an attempt to make mathematically correct Adam Smith's suggestion of a stable measure. "The real price," he said, "of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it." Labour, therefore, is the real measure of the value in exchange of commodities. The wealth of the world was not originally purchased by gold or by silver, but by labour; and the value of this wealth to those who possess it, and who want to exchange it for some new productions, is precisely equal to the quantity of labour which it can enable them to purchase or command. The obvious objection arises that, as Smith himself says: "There may be more labour in an hour's hard work than in two hours' easy business; or in an hour's application to a trade which it cost ten years' labour to learn, than in a month's occupation at an ordinary and obvious employment." He is, therefore, constrained to adopt corn as his standard. He takes,

that is, the results of the exertions of the lowest paid labourer, he who is in receipt of the amount of corn which will keep him alive and in working condition. "Equal quantities of labour will at distant times be purchased more nearly with equal quantities of corn, the subsistence of the labourer, than with equal quantities of gold or silver, or, perhaps, of any other commodity. Equal quantities of corn, therefore, will, at distant times, be more nearly of the same real value, or enable the possessor to purchase or command more nearly the same quantity of the labour of other people."

In the Tabular Standard, which is an official index number, a large number of articles of consumption besides corn is taken. The average price for a series of years affords a base. The prices in succeeding periods are calculated in percentages of the base prices; the average percentage of rise or fall is found by dividing the difference between the two totals by the number of articles. Thus, if 22 be taken, the base would be represented by 2200. If the second period, some prices having risen, some fallen, showed 2332, the average rise would be $\frac{132}{22}$, or 6 per cent. It is assumed that 6 per cent rise in prices results from a fall in the value of gold; and the debtor would, in the contract made under the Tabular Standard, be called on to pay £106 for every £100 of debt. Such a standard assures payments perfectly equitable, but we may anticipate that, unless changes in value become rapid and great, we shall remain content with the rough equity afforded by gold payments.

STANDING CREDITS.—These have reference exclusively to banking matters. A customer of a particular bank may, as a rule, arrange to have his cheques cashed at another bank or at some other branch of his own bank. The request to the banker as to such an arrangement should be in writing and be signed by the customer. The letter advising the bank or the branch to honour his cheques should be signed by the manager and state precisely what cheques are to be paid, to what extent and for how long the credit is to continue, and the advice should be accompanied by a specimen of the signature of the customer.

A common form of advice is to honour cheques drawn by John Brown to the extent of £10 in any one day. An advice to honour cheques to the extent of £50 in any one week is not a good form, if the customer giving the order intends the money to be drawn at the rate of so much each day, as it is clear that the full amount may be drawn on one day and still comply with the letter of advice.

When a bank receives from another bank or from one of its own branch establishments a request to pay certain cheques, the greatest care should be taken to ascertain that the letter of advice is genuine. If there is any doubt, a confirmation could be asked for by wire.

Credits opened between different banks are, as a rule, arranged through the head offices of the respective banks.

Particulars of all credits opened should be recorded at the heading of the customer's account. The amount of such credits should of course be justified by the nature of the account.

The customer sometimes receives a special form of cheque book, the cheques being drawn upon the banker who is to pay the cheques and an indication given upon the cheques of the name of the bank where the drawer's account is kept.

The mere fact that a banker pays a cheque under a standing order does not release him from his general liability if he pays one bearing a forged indorsement. It is reasonable, however, to expect that a customer wishing his cheques to be paid in this manner should state in writing that the banker shall not incur any greater liability than if the cheques were paid by the branch on which they are drawn. The banker who pays a cheque under authority usually cancels it before remitting it to the drawee banker.

A register should be kept of all standing orders given by a branch and also of all received by a branch. If a credit, without any time limit, has not been operated upon for a considerable time, it is desirable to inquire if it is still to continue, or if it should be cancelled.

When a customer gives an order to stop payment of a cheque, notice should be given to each branch or bank which has authority to cash his cheques.

STANDING ORDERS.—These are rules which regulate the procedure at meetings. With regard to companies, this procedure is usually regulated by the articles or by Table A. (See **MEETINGS**.) There may, however, be standing orders subsidiary to the articles, though such is very unusual and applies only in the case of very large companies.

Where standing orders are used, regulations are usually made to govern their initiation, suspension, or abrogation. Usually standing orders cannot be altered, except at a specified meeting (e.g., annual meeting), and at a meeting convened by due and adequate notice of such change and the nature of such change given to its members.

It is sometimes desirable that a standing order should be suspended in order that certain business should be transacted which is of an urgent and important character. Unless provision is made for suspension in the standing orders themselves, which, when made, commonly requires the sanction of a certain specified majority of members present, it is unwise to suspend them unless with the consent of the majority of members of the body whose procedure they regulate and govern. It is not sufficient to obtain the consent of the majority of the members present, unless such meeting is fairly representative of its members and in such circumstances a majority should be not less than three-fourths of members entitled to vote.

STANNARIES.—This word is derived from the Latin *stannum*, which means "tin."

The term "stannaries" is applied to the tin mines of Cornwall and Devonshire, and to the peculiar customs and laws which are there prevalent with respect to the mines. A company of more than twenty persons formed for the purpose of gain must be registered under the Companies Acts, 1908 to 1917, unless it is formed under some other Act of Parliament, or under letters patent, "or is a company engaged in working mines within the stannaries, and subject to the jurisdiction of the Court exercising the stannaries jurisdiction." (See **PARTNERSHIPS**.)

The above-mentioned Act makes certain special provisions in connection with the winding-up of companies in the stannaries.

Attachment of Debt due to Contributory on Winding up in Stannaries Court.

"Section 239. When several companies are in course of liquidation by or under the superintendence of the Court exercising the stannaries jurisdiction and acting under that jurisdiction, if it

appears to the judge that a person who is a contributory of one of the companies is also a creditor claiming a debt against one of the other companies, the judge may (if after inquiry he thinks fit) direct that the debt, when allowed, shall be attached, and payment thereof to the creditor suspended for a time certain as a security for payment of any calls that are or may in course of liquidation become due from him to the company of which he is a contributory; and the amount thereof shall be applied to such payment in due course:

"Provided that such an order of attachment shall not prejudice any claim which the company so indebted to the creditor may have against him by way of set off, counterclaim, or otherwise, or any lawful claim of lien or specific charge on the debt in favour of any third person."

The Act also provides for various modifications with respect to preferential payments of salaries and wages. (See **COMPANIES, WINDING UP.**)

STAPLE.—The correct meaning of this word is a market or place of public resort, to which merchants and others are obliged to bring their goods, wares, and merchandise for sale. In ancient times merchants in England were compelled to bring their goods and to expose them for sale by wholesale in certain specified places. In each of these places there was a court established over which the mayor of the staple presided, and to whom all differences were referred. Afterwards the word "staple" was applied to the merchandise itself which was offered for sale at these places. At the present time the term is frequently used to designate the principal products or manufactures of a country or town.

STAPLING MACHINES.—The number of papers requiring to be fastened together varies in different offices, as does the method of fastening. In offices where large quantities of papers are attached, the use of a stapling machine will save considerable time and give a neat form of fastening. Many types of machines are available, the Hotchkiss being the most popular. But for large numbers, a machine not requiring to be fed with ready-made staples is preferable, and the wire machines, which make their own staples from a reel of wire, should be used.

STARBOARD.—In its literal sense this means the steering side of a vessel, or the right-hand side of a ship looking towards the bow or front.

STARCH.—A carbohydrate occurring in grains in the cellular tissues of most plants. Cereals of all kinds are rich in starch, which is a valuable food-stuff. Among the food starches are arrowroot, sago, tapioca, and rice, which is particularly rich in this ingredient, containing more than 70 per cent. For industrial purposes, starch is prepared from rice, maize, and wheat, the chief centres being Norwich, Paisley, and Belfast respectively. On the Continent, potato starch is much used. (See **POTATO**.) Among the important products obtained from starch are glucose (*qv*) and dextrin (*qv*). Face powder is also prepared from starch by a process of grinding and perfuming. In the form of a translucent jelly, starch is invariably used for laundry purposes.

STATE.—In the banking world this is the name which is given to the weekly return sent to the head office exhibiting all the transactions which have taken place at a branch during the week.

STATEMENT, ANNUAL.—(See **ANNUAL STATEMENT.**)

STATEMENT IN LIEU OF PROSPECTUS.—(See PROSPECTUS.)

STATEMENT OF ACCOUNTS.—This is an account which is rendered at particular intervals, showing the amounts which are due from one person or firm to another. In a general way such a statement contains the dates and the amounts of all the invoices which have been sent in since the previous statement.

STATEMENT OF AFFAIRS.—A Statement of Affairs as used in cases of bankruptcy and compulsory winding-up consists of a number of schedules of assets and liabilities, focussed on what is termed the "Front Sheet" into such form as will most conveniently show (a) on the left hand the liabilities and (b) on the right hand the assets of the person or firm, concluded by the deficiency of assets which is explained in an account called the deficiency account. The forms for use in bankruptcy and compulsory liquidation are prescribed by statute, and as an inset is given a copy of the front sheet for bankruptcy purposes. The statement of affairs as used in compulsory liquidation provides additional information, which the circumstances of a limited company naturally require, as, for instance, the front sheet contains provision for the insertion of mortgage debentures, and also is continued so as to show the company's deficiency as regards contributories, *i.e.*, shareholders. In cases of insolvency not coming under the headings mentioned, it is the practice of accountants to adhere as nearly as possible to the statutory forms, though this is quite optional. Again, a statement of affairs is often prepared for firms that are quite solvent, being often the basis upon which accounts kept on a single entry footing are converted to the double entry system.

Theoretically, the main difference between a statement of affairs and a balance sheet is that the latter is prepared from books kept by double entry, whereas the former need not necessarily be so. Also the basis of the values of the assets shown in a statement of affairs for insolvency purposes should be break-up price, the values of assets in a balance sheet being usually "as a going concern." Again, one finds included on the liabilities side of a balance sheet such items as reserves, reserve funds, sinking funds, and the like, and on the assets side preliminary expenses, expenses paid in advance, goodwill, etc., which would be out of place in a statement of affairs. Break-up price being the foundation of the values in a statement of affairs for insolvency purposes, it follows that where the person or firm involved has kept double-entry books, these must be altered by being credited with such an amount as will reduce them to that figure, an adjustment account being debited. Where there will be assets available for realisation which are not shown in the books, such as the household furniture or life policies of a trader, accounts must be raised to which the amounts will be debited, the adjustment account being credited. Liabilities not shown in the books, such as private and contingent liabilities, will be debited to the adjustment account and credited to appropriate accounts. The adjustment account, taken in conjunction with the trader's capital account, will then form the material for the deficiency account. The stock of goods should be valued and included in the books and the profit and loss account prepared in the ordinary way.

Where the books are not on the double-entry

system, the statement of affairs will be prepared as well as possible from such books as are of assistance, supplemented by such information as can be extracted from invoices, statements, letters, inventories of plant, machinery, fittings and stock, and so on. Great care will, therefore, be needed in combining the results, there being no automatic check, and the deficiency account cannot be drawn up with absolute accuracy unless time permits of the raising of total accounts, which is rarely the case.

The date at which the statement of affairs in bankruptcy is to be drawn, *viz.*, the day when the receiving order was made, must be kept in view throughout. On the assets side, the cost must be stated where possible, and items calling for special comment are (j) Life Policies, for which the surrender value, obtained from the Insurance Company, will be inserted, and Bills of Exchange (j), which will require careful sifting. Also Book Debts (l) must be differentiated as between good, doubtful, and bad, the value put upon doubtful debts being in the nature of the case a pure estimate. The assets side is concluded with the deficiency. (See article on DEFICIENCY ACCOUNT.) On the liabilities side should be noted the column for gross liabilities, which is provided to show the total obligations of the trader or firm. The surplus of value of security in the hands of secured creditors is carried to the assets side, *i.e.* being the probable sum to be received by the estate on a realisation, but where, for instance, the security consists of real or leasehold property on which there is a second mortgage, it will sometimes be necessary to show the second mortgage debt under the heading of list C (creditors partly secured), deducting from it the surplus estimated after satisfaction of the first mortgage. The probable total liability in respect of bills discounted must be estimated (other than the acceptances of the insolvent trader or firm, which are included amongst the unsecured creditors), and accommodation bills must be shown separately. Contingent liabilities should be the subject of careful inquiry, and the individual case must be decided on its merits. The amounts to be included under the headings of distrainable rent, and for preferential rates, taxes, wages, sheriff's charges, etc., involve considerations of law which the space of this article forbids, but the deduction of the amount from the total assets on the assets side should be noted, and also that in the statutory form for use in regard to companies in liquidation mortgage debentures are shown in like manner. The affidavit at the foot of the form should be sworn by the debtor when the whole is completed.

STATEMENT OF CLAIM.—This is the formal document put forward by a plaintiff in an action, in which the nature of the claim alleged against the defendant is fully set out, and the grounds upon which the claim is founded. At the same time there must be no prolixity, otherwise the costs unnecessarily incurred will have to be paid by the plaintiff. Generally speaking, facts and facts alone are to be set out in the statement of claim, questions of law being left for the decision of the court. (See PLEADINGS.) A plaintiff has always a right of amending his statement of claim once without leave during the course of the preliminaries, but he is generally bound hard and fast by his document when the trial takes place. If the statement is not sufficiently clear and full, the defendant may, upon good cause being shown, ask for and obtain particulars as to how the statement is made up.

In the High Court of Justice.

KING'S BENCH DIVISION.

Writ issued November 14th, 19..

BETWEEN

ADELAIDE BROWN

Plaintiff.

and

JOHN SMITH

Defendant.

STATEMENT OF CLAIM.

1 The Plaintiff is a married woman who sues in this action in respect of her separate estate.

2 The Defendant is a solicitor of the High Court and was employed by the Plaintiff in the year 19.. to advise her as to the investment of certain moneys and in other business.

3 The Defendant as such solicitor in the month of January 19.. advised the Plaintiff to invest the sum of £1000 on a second mortgage of 10 leasehold houses situate in St. John's Road Ilford in the County of Essex. The Defendant recommended the said second mortgage to the Plaintiff as an excellent security for that amount.

4 The Plaintiff relying upon the advice and the skill of the Defendant invested the said sum of £1000 in the said second mortgage and the Defendant acted as solicitor for the Plaintiff in effecting this investment.

5 No solicitor exercising ordinary care and skill would have advised a client to lend money on a security of such a nature as that upon which the Defendant advised the Plaintiff to lend this money.

6 The Defendant was further guilty of negligence in not obtaining a report of a surveyor as to the condition and the value of the said property before he advised the Plaintiff to advance money thereon.

7 The Defendant was also guilty of negligence as a solicitor in not ascertaining the condition and the state of repair and the rental value of the said premises and in representing to the Plaintiff that the property was let at a net rental of £500 a year whereas 4 of the said 10 houses were unoccupied and the other 6 houses were let to un-substantial and unsatisfactory tenants at £40 a year each and all the said 10 houses were very much out of repair.

8 The Plaintiff has paid to the Defendant the sum of £15 15s. 0d. as his charges in respect of the said investment.

9 The first mortgagees have now taken possession of the property which has proved insufficient to satisfy their claim and the Plaintiff has lost the whole of the said sum of £1000 and the interest thereon from the 25th December 19..

The Plaintiff claims:—

(a) £1000 and interest thereon at the rate of 5 per cent. per annum from the 25th December 19.. till judgment.

(b) £15 15s. 0d. referred to in paragraph 8 of this Statement of Claim.

(Signed)

JOSEPH SMITH

Delivered the 10th day of December 19.. by Samuel Roberts & Co. of 394 Strand in the County of London Plaintiff's solicitors.

[FACSIMILE OF BANKRUPT'S STATEMENT OF AFFAIRS]

No. 46.—Statement of Affairs.
(B.R. 1914.)

THE BANKRUPTCY ACT, 1914.

STATEMENT OF AFFAIRS.

In the County Court of
IN BANKRUPTCY.

holden at

No

of 19

To THE DEBTOR — You are required to fill up, carefully and accurately, this Sheet, and the several Sheets A, B, C, D, E, F, G, H, I, J, and K, showing the state of your affairs on the day on which the Receiving Order was made against you, viz : the day of 19

Such Sheets when filled up will constitute your Statement of Affairs, and must be verified by Oath or Declaration.

Gross Liabilities.	LIABILITIES (as stated and estimated by Debtor)	Ex-pected to Rank	ASSETS (as stated and estimated by Debtor)	Esti-mated to pro-duce.
£ s d.		£ s d		£ s. d.
	Unsecured Creditors, as per list (A) Creditors fully secured, as per list (B) .. Estimated value of securities .. Surplus .. Less amount thereof carried to Sheet C. .. Balance thereof to contra ..	£ s d	Property, as per list (H), viz :— (a) Cash at Bankers .. (b) Cash in hand .. (c) Cash deposited with Solicitor for costs of Petition .. (d) Stock in Trade (cost £ ..) (e) Machinery .. (f) Trade fixtures, fittings, utensils, etc. .. (g) Farming stock .. (h) Growing crops and tenant right .. (i) Furniture .. (j) Life Policies .. (k) Other property, viz :— ..	
	Creditors partly secured as per list (C) .. Less estimated value of securities ..	£ s d		
	Liabilities on bills discounted other than debtor's own acceptances for value, as per list (D), viz :— On accommodation bills, as drawer, acceptor, or indorser .. On other bills, as drawer or indorser ..	£ s d		
	Of which it is expected will rank against the estate for dividend Contingent or other liabilities, as per list (E) ..	£ s d		
	Of which it is expected will rank against the estate for dividend ..	£ s d		
	Creditors for rent, &c., recoverable by distress as per list (F) .. Creditors for rates, taxes, wages, &c., payable in full, as per list (G) .. Sheriff's charges payable under Sec. 11 of the Bankruptcy Act, 1890, estimated at .. Deducted contra ..	£ s d		
		£ s d	Total as per list (H) .. Book debts, as per list (I), viz :— Good .. Doubtful .. Bad ..	£ s d
			Estimated to produce .. Bills of Exchange or other similar securities on hand as per list (J) .. Estimated to produce .. Surplus from securities in the hands of creditors fully secured (per contra) .. Deduct creditors for disclaimable rent, and for preferential rates, taxes, wages, Sheriff's charges, etc. (per contra) .. Deficiency explained in statement (K) ..	

I, of the County of make oath and say, that the above Statement and the several lists hereunto annexed marked A, B, C, D, E, F, G, H, I, J, and K, are to the best of my knowledge and belief a full, true, and complete statement of my affairs on the date of the above-mentioned Receiving Order made against me.

Sworn at
in the County of ..
this .. day of 19 ..
before me } Signature

STATE REGULATION OF TRADE.—Since the day when Joshua commanded the sun to stand still over the mountains of Gilboa, long before Canute issued his injunctions to the tide, Governments and the adherents of Governments have ever had an exaggerated notion of the efficacy of State intervention. Three-quarters of the statutes passed by English and British Parliaments have sought to regulate matters of bargaining, including the payment of wages; and most of them are as nugatory as was King Canute's prohibition. Whenever a State Regulation has conflicted with economic forces it has come to nothing—except indeed avoidable expense in payment of officials and the other costly accompaniments of State machinery. We have had recent examples: there was the spectacle of the disappearing rabbit when a too low price was put upon its head; there was the absurdity of rationing for butter—the poor bought the cheap and wholesome substitute, those prepared to pay got as much butter as they wished.

Right up to Shakespeare's days the *Assize of Bread and Ale*, fixing the weight of a penny loaf in accordance with the price of wheat, and fixing the number of gallons of beer to be sold for a penny in accordance with the price of barley, was in force. This authority, vested in the medieval food committees, was temporarily usurped by Jack Cade, an enthusiastic reformer convinced of the power of Government: "There shall be in England seven half-penny loaves sold for a penny, the three-hooped pot shall have ten hoops." The local authorities had great power over the recalcitrant; in 1587 the Mayor of Chester committed the whole of the Butchers' Company to prison for overcharging. Prices of all catables were fixed: in 1572 the Lord Mayor of London curbed the greediness of the poulterers by an official price-list still extant: a large fat goose was fourteen pence, chickens twopence halfpenny, eggs five a penny. "But, O, the heavy change!"

The dismal history of Government attempts to control the streams of trade may well make one doubt the wisdom of making more regulations. Yet in these abnormal times it would appear that some national and even international regulations must be made. Consider wages, for example. Suspension during the war of the ordinary machinery of settlements, the prohibition of strikes and lock outs, and the steady increase in cost of living, appear to render imperative some form of State action in regard to wages—which always toil slow-footed after prices. The Trade Boards Act of 1918 has given the Minister of Labour far-reaching powers. He is enabled, without action of Parliament, to set up Trade Boards in any industry; so that an unlimited expansion of State regulation is possible, is indeed probable. The modest minimum of 25s. a week has been already fixed by the Wages Board in Agriculture; but we should note that the amount is a minimum, not (as in the case of earlier enactments, the famous Statute of Labourers, for instance) the maximum that could be paid. The policy to be pursued by the Boards is: (1) the stimulating of production, (2) the securing to the workers of a fair share of the product—the second being a great factor in the first.

Moreover, unless the control established during the war is continued till supplies have had time to adjust themselves, there would be—in the world shortage of the raw materials of industry—a

scramble for the supplies available, and for the ships to transport them. "Cornering" will be practicable, and practised; and with it a further rise in the already exorbitant level of prices. The Cotton Control Board, regulating the consumption of raw material, will be obliged to continue its activities until supplies are again adequate, and it will be obliged to take into its consideration the needs of France, Italy, and Belgium. Germany itself, a great consumer before the war, must be considered; for, if the Germans are to contribute towards the restoration of devastated lands, they must have employment. Regulation, that is to say, must be on more than a national scale; it must comprise the commercial world. The Wool Control Board, faced by the world shortage of wool—which depends largely upon the labour available to get it, and by the desperate need of such countries as Germany, Austria, and Russia particularly for wool, has an even greater problem than the Cotton Board. So with the control over timber, leather, iron ore, and so on. The central direction of all the control departments, with the Standing Council (meeting at the Ministry of Reconstruction, 2 Queen Anne's Gate Buildings, S.W.1), to which correspondence should be addressed in regard to supplies needed.

The Allied Maritime Transport Council also will, presumably, during the next few years continue to adjust claims for tonnage at sea.

The pious aspiration is expressed, even by the Government, that the various controls will be gradually relaxed and that most of them will have disappeared by 1930—an aspiration with which the business community will heartily sympathise. We are hardly likely, however, ever again to approach an era of "unrestricted competition." And now that we have combinations of capital (whether those combinations are called Trade Associations, or Combines, or Consolidations) facing combinations of labour (Trade Unions), it is perhaps desirable that the State as a very interested third party (representing as it does the community at large) should have a voice in the matter.

STATION.—This word is used in Custom House documents to signify a warehouse or a group of warehouses.

STATIONERY OFFICE.—As its name implies, this is a department which is concerned with the supply of books and various documents, especially those which are required by the various government departments. This office has complete control of all the government printing contracts. The head of the department is called the Controller, though he is also known as the King's Printer. In him is vested the copyright of all publications which are issued under the authority of the government.

STATISTICAL RETURNS.—In all properly-conducted businesses, apart from the recognised books of account which record the financial transactions from time to time, it is invariably found that, for the information of boards of directors of such other bodies of management as may exercise executive power, it is necessary to be provided with periodical records of sales, and the different items of expenditure or such other records as may influence trading, such as the condition of markets for raw material, etc.

In the larger establishments—shops of the universal provider variety—conducted on the multiple shop system, where in all probability the central

board of management would deliberate at least weekly, it is customary to review the amount of trade done at the close of each week, and to compare the turnover to that point with the same turnover in the previous year, both for the week itself and for such number of weeks as had expired since the commencement of the official year, showing in some cases, also, a comparison between the current period and the average for three previous years, with a percentage of increase or decrease, as the case may be. In some instances, especially in the soft goods trade, it is found expedient to supplement these figures with the approximate value of stock on hand, but this is only usually carried out once a month, when a return of all purchases and expenses will also be taken into account and compared with similar figures in the previous year, or for an average of the three previous years, as in the above instance. It is essential that all figures brought into these statistical returns are extracted from the actual financial records, in order that the returns may accord with the trading and profit and loss accounts prepared half-yearly or annually, as the case may be. It should be borne in mind that the true object of periodically informing those responsible for the management is to keep a constant watch on the pulse of every department of a business. For the most part, it is found necessary to watch turnover at least once a week; in some cases even daily returns are kept and compared with the number of days in the previous year; and in many instances these figures are supplemented by data which give records as to the prevailing state of the weather, which in some trades will very sensibly affect the amount of business done.

Progress records of factories are dealt with upon a somewhat different principle. In the case of production, the principal basis of information will rest with the amount of net material consumed and the amount of productive labour required to deal with that material. In most cases, a monthly return is advisable, which will in some way give information as to the number of units produced, for instance, a colliery company should be in a position to state the net result of the "get" in coal, stating the approximate stocks on hand at the beginning of the month and at the close. These figures should be accompanied by various items of cost, such as wages, material, light, power, repairs, depreciation, and all other items of expenditure, against which a percentage of cost per unit is shown. This will keep the management fully alive to any leakages which may arise, or, at any rate, point out any rise in the cost of production, which should by these means be accounted for. The figures thus serve two purposes: in the first place, by exercising such economies as may be necessary; or, if from increased cost of production arising from natural or uncontrollable causes to consider some means whereby the product of the concern can be increased in price.

Businesses with outlying establishments in other parts of a town, or provincial depôts, require periodical returns to be sent from the branch managers, showing weekly sales and the different items of purchases and expense. These returns are compiled into statistical books and compared on the basis explained above, as regards triennial averages with percentages of increase and decrease in regard to turnover and of cost in relation to that turnover.

Statistics dealing with financial matters are dealt with under **FINANCIAL RETURNS** (*q.v.*). (See also **DIAGRAMS AND CHARTS**.)

STATISTICS.—The utilising of ascertained numbers, allied as it usually is with the Theory of Probability, is erudite enough to satisfy anyone who experiences the ancient desire for "something craggy to break his mind upon." Applied to judgments as to the future history of communities, the study is of ever increasing importance to the statesman or to the student of social science. The branch of knowledge which rejoices in the modern name of *Demography*—i.e., the description of men in masses—is entirely based on the correct use of enumerations. Such businesses as *Insurance* live by "statistics" or the study of facts by way of numbering; and of late years almost every science—history, medicine, geography, chemistry, agriculture and the rest—has become to a surprising extent dependent on figures for its continued progress.

It is a pity, then, that writers on Statistics or Probability do not care gently to guide the uninitiated some little way, before bringing them against the more abstruse parts of the subject. The presentation of difficulties at the outset may be an exhilarating tonic to strong and vigorous intellects; but weaker brethren would feel grateful for a more gradual introduction. At first sight, indeed, there seem to be few difficulties in using figures for argument. A figure looks so definite, so little susceptible to mistake, so conclusive of the matter, that all unskilled—and some skilled—debaters fly to "statistics" to prove their cases. With an abundance of figures at his disposal, with power to cull from these figures at his discretion, an enthusiast may be expected to prove his case. There is something peculiarly seductive in the sense of infallibility given by the use of figures; even the wariest has an unconscious bent towards them and may unwittingly lead his hearers astray with himself. Figures themselves do not lie, but they may be so manipulated that they may present lies. Above all the greatest prudence is needed when we take figures already "worked up", they are raw materials in which fraud is easy, and we should know the genesis and scope of the figures before basing our reasoning on them. Yet used with a due sense of their origin and due care in their grouping, figures are an indispensable handmaid to scientific study of business or anything else.

Consider the cricket averages, for instance. The number of runs per innings, the expense per wicket, seem as definite as anything can be. The average is a step towards uniformity—"the uniformity of large numbers"; but we have obtained the uniformity by means of wrapping the individual instance in obscurity. We have been obliged to limit our attention to a few properties, excluding what were perhaps the most interesting. So apparently simple a thing as a "run" is already a bundle of properties, and its value varies according to those properties. We cannot keep in our minds the aggregate of properties, and we therefore abstract from the mass the single *common* property that the batters ran between the wickets without being run out. But

"Run" A was—

Made on a "difficult" pitch,
Made against a fast bowler,
Made against keen fielders,
Made at a critical point.

"Run" B was—

Made on a perfect wicket,
Made against a "long-hopper,"
Made against a team of "rabbits,"
Made when "a draw was inevitable,"
and so on to any extent.

Clearly run A should weigh more than run B; but in the "averages" the distinctive properties are necessarily lost. One chief task of a selection committee is presumably to reintroduce as many as possible of the neglected properties. The much criticised men soon learn two most important truths in dealing with numerical quantities—

1. To take the utmost precautions that they are comparing the same things

2. To take a very wide field of comparison, and so to correct the irregularity of the individual by the relative stability of a great number—to counteract, that is, the chances of "flukes."

Perhaps the most useful, as well as the most interesting, branch of statistics is the *effective presentation of the results of numerical calculations*. A long series of numbers is difficult, indeed impossible, to be grasped in its entirety. The interest is diffused over many and can be concentrated on one point only with the loss of a sense of proportion. But if a method were devised by means of which the one dominant, controlling factor could leap before our consciousness, the figures then become real and effective. Such a method has of late been brought to a fine art by means of "graphs," i.e., diagrams whereby the abstract numbers are translated into concrete pictures. (See DIAGRAMS AND CHARTS)

A simple question being put to Pascal led to his working out the Theory of Probability. This problem, famous for its results, not in itself, will serve to illustrate the nature of the considerations we must make when dealing in arguments involving numbers. Here is the problem—

Two soldiers have made a stake which is to belong to the one who shall first win three games of chance. Demands on their military services compel them to leave their play when three games only had been decided, the first soldier winning two games, the second winning one. Supposing the chances of either gaining a single game to be even, how much of the stake ought each to take? It must afford comfort to the poorer calculators among us to know that a very great mathematician, d'Alembert, solved this problem wrongly. He argued thus—

There are three possible cases if play continued—

- Either A wins the fourth game when he takes the stakes,
- Or A loses the fourth game but wins the fifth when he takes the stakes,
- Or A loses the fourth game and also the fifth when B takes the stakes.

Therefore since A wins in 2 cases and B in 1 case, A should take $\frac{2}{3}$ of the stakes and B $\frac{1}{3}$.

The error in reasoning here is, of course, that the last two cases are *less likely to occur* than the first. The first case does not depend on anything preceding it; the last two cases depend on the *losing of the fourth game by A*.

The correct reasoning is—

The probability that A will win the stakes at the fourth game is $\frac{1}{2}$.

The probability that the stakes will be left for a fifth game is $\frac{1}{2}$.

The probability that A will win the stakes at the fifth game is $\frac{1}{2} \times \frac{1}{2}$ or $\frac{1}{4}$.

That is, the total probability that A will win the stakes is $\frac{1}{2} + \frac{1}{4}$, i.e., $\frac{3}{4}$.

$\therefore$ A should take $\frac{3}{4}$ of the stakes, B, $\frac{1}{4}$.

In the event of B's demurring to this reasoning, A could perhaps convince him in the following manner—

Suppose two games are played (without reference to this particular wager).

There are four possible results—

A wins first, wins second.

A wins first, loses second.

A loses first, wins second.

A loses first, loses second.

In only one case out of four would B win two successive games, and therefore his share is $\frac{1}{4}$.

We should now be prepared to shape for ourselves a *definition*, or at all events a *description* of what is meant by statistics.

I. STATISTICS IS A METHOD OF STUDY: like induction, or analogy, or experiment, we ascertain truths by its use.

II. IT IS CONCERNED WITH THE STUDY OF MASSES OF THINGS: it deals not with individuals but with *large numbers*. The "type" is everything, the individual nothing.

III. BY COMPARISON of the results of the enumerations it seeks to DERIVE TRUE AND USEFUL INFORMATION.

It is not a science taking a special part of knowledge as its province. It is, however, an auxiliary which can hardly be dispensed with for the study of any subject where the observation must go over *numbers* of facts. It seeks to evolve from the mass of individuals, the *TYPES*; and, therefore, the subject of *AVERAGES* forms a great branch of Statistics. It seeks to present numbers *EFFECTIVELY*, and for this purpose it makes extensive use of *GRAPHS*.

STATUS INQUIRIES.—(See INQUIRY AGENCIES)

STATUS OPINION.—(See BANKER'S OPINION)

STATUTE.—An Act of Parliament; a law of the government of a state. The name is sometimes also applied to a permanent rule of a corporate body. The statutes of England date from the time of Henry III, the first of which there is any record being the Statute of Merton, 1235.

A statute, or statute law, is the written law of the land. "The written laws of the kingdom, are statutes, acts, or edicts, made by the Sovereign, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons in Parliament assembled" (Blackstone).

STATUTE BARRED.—A debt or the enforcement of an obligation under a contract is said to be statute barred when it can no longer be enforced in a court of law, owing to the fact that the creditor has allowed so great a period to elapse that he is not permitted by law to bring his action against the debtor, if the debtor specially pleads the legal defence. (See LIMITATIONS, STATUTES OF.)

STATUTE LAW.—(See STATUTE.)

STATUTE OF FRAUDS.—(See FRAUDS, STATUTE OF)

STATUTES OF LIMITATIONS.—(See LIMITATIONS, STATUTES OF.)

STATUTES OF DISTRIBUTION. (See DISTRIBUTION, STATUTES OF.)

STATUTORY BOOKS OF COMPANY.—A joint stock company is compelled by law to keep certain books and documents. These statutory books and documents (which will be found dealt with under separate headings) comprise register of members, register of directors and managers, register of mortgages and charges, minute book, annual list and summary.

STATUTORY COMPANIES.—These are companies which have been incorporated by special Act of Parliament, such as railway companies. The activities in which a statutory company may engage are set out in its special Act or Acts. General regulations applicable to this class of company as a whole are contained in the Companies Clauses Acts (*q.v.*)

STATUTORY DECLARATION.—This is the name given to a declaration in writing, made in accordance with the Statutory Declarations Act, 1835, by which a person solemnly declares that he verifies some circumstance or fact. For example, if it should be necessary for A to have proof that B has been (as he maintains) in possession of a certain property for a specified period, A may be satisfied to have a statutory declaration from C formally stating that he (C) is able from his own knowledge to vouch for the accuracy of B's assertions. If the declaration is made wilfully and falsely, to the knowledge of the deponent, proceedings may be taken against him for perjury (*q.v.*)

The form of a statutory declaration is somewhat like an affidavit. It runs as follows

"I, A B, of _____ do solemnly and sincerely declare that (*here set out all the facts*). And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1835 "

STATUTORY MEETING.—The statutory meeting of a company, so named in order to distinguish it from other general meetings, must be held within a period of not less than one month, nor more than three months, from the date at which the company is entitled to commence business. All companies limited by shares are required by the Companies (Consolidation) Act, 1908, to hold a statutory meeting; but companies limited by guarantee or unlimited are exempt from this requirement.

With regard to the date at which a company is entitled to commence business, this is governed by the 1908 Act, Sec. 87, ss. 1 and 2 of which are as follows—

"(1) A company shall not commence any business or exercise any borrowing powers unless—

"(a) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription, and

"(b) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription, or in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash, and

"(c) there has been filed with the registrar of companies a statutory declaration by the

secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and

"(d) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar of companies a statement in lieu of prospectus.

"(2) The registrar of companies shall, on the filing of this statutory declaration, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled;

"Provided that in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him "

It is from the date of the registrar's certificate that the date for holding the statutory meeting has to be calculated. These provisions do not apply to a private company as defined by the Act, and such is, consequently, entitled to commence business from the date of its incorporation, and the statutory meeting must be held accordingly.

The object of the statutory meeting is to afford shareholders an early opportunity of discussing all matters relating to the flotation of the company, with regard to which the statutory report (see under **REPORTS**) should supply considerable information. Section 65 of the 1908 Act sets out in Subsections 6, 7, and 8 certain details as to the manner in which the meeting is to be conducted. A list, showing the names, descriptions, and addresses of the members of the company and the number of shares held by them respectively must be produced at the commencement of the meeting, and remain open and accessible to any member of the company during the continuance of the meeting. The members present are at liberty to discuss any matter relating to the formation of the company or arising out of the statutory report; but no resolutions may be passed unless notice thereof has been given in accordance with the provisions contained in the articles of the company. The meeting may adjourn from time to time and at any adjourned meeting any resolution, of which notice has been properly given, either before or subsequently to the former meeting, may be passed, and the adjourned meeting has the same powers as the original meeting. If default is made in holding the statutory meeting, any shareholder, after the expiration of fourteen days after the last day on which the meeting ought to have been held, may petition the court for a compulsory winding-up of the company; and the court may direct that the company be wound up, or give directions for the statutory meeting to be held, or make such other order as may be just.

STATUTORY MORTGAGE.—Until the passing of the Conveyancing Act, 1881, deeds of conveyance were documents of great prolixity and intricacy. And this was especially so in the case of mortgages, where the mortgagee was anxious to have his security in such a form that he would be unable to realise without difficulty if the mortgagor was in default, and the mortgagor was just as anxious to prevent the mortgagee from exercising such extensive powers so that he should not be easily deprived of his chance of redemption, even when there was a default on his part in the payment in due course of the interest secured by the mortgage. Now, by the Act just mentioned, the legislature has allowed

certain rights to be presumed unless the parties to the mortgage deed contract to the contrary, and consequently in a simple case it is possible for a form of mortgage to be used which is quite short and simple. This kind of mortgage is called a "statutory mortgage" By section 27 of the Act it is provided—

"(1) A mortgage of freehold or leasehold land may be made by a deed expressed to be made by way of statutory mortgage, being in the form given in Part I of the Third Schedule to this Act, with such variations and additions, if any, as circumstances may require, and the provisions of this section shall apply thereto

"(2) There shall be deemed to be included, and there shall by virtue of this Act be implied, in the mortgage deed—

"First, a covenant with the mortgagee by the person expressed therein to convey as mortgagor to the effect following (namely)—

"That the mortgagor will, on the stated day, pay to the mortgagee the stated mortgage money, with interest thereon in the meantime, at the stated rate, and will thereafter, if and as long as the mortgage money, or any part thereof, remains unpaid, pay to the mortgagee interest thereon, or on the unpaid part thereof, at the stated rate, by equal half-yearly payments, the first thereof to be made at the end of six calendar months from the day stated for payment of the mortgage money:

"Secondly, a proviso to the effect following (namely)—

"That if the mortgagor, on the stated day, pays to the mortgagee the stated mortgage money, with interest thereon in the meantime, at the stated rate, the mortgagee at any time thereafter, at the request and cost of the mortgagor, shall reconvey the mortgaged property to the mortgagor, or as he shall direct"

The form supplied in the schedule to the Act is as follows—

DEED OF STATUTORY MORTGAGE.

"This Indenture made by way of statutory mortgage the day of , between A of (etc) of the one part and M of (etc) of the other part Witnesseth that in consideration of the sum of £ now paid to A by M, of which sum A hereby acknowledges the receipt A as mortgagor and as beneficial owner hereby conveys to M, all that (etc) To hold to and to the use of M, in fee simple for securing payment on the day of , of the principal sum of £ as the mortgage money with interest thereon at the rate of (four) per centum per annum.

"In witness, etc"

The Act also naturally supplies forms for the transfer of a statutory mortgage. (See TRANSFER OF MORTGAGE.) These forms vary according to circumstances, as shown by the headings, and the effect of them is given in sections 27 and 28 of the Act. These sections are as follows—

"27—(1) A transfer of a statutory mortgage may be made by a deed expressed to be made by way of statutory transfer of mortgage, being in such one of the three forms (A) and (B) and (C) given in Part II of the Third Schedule to this Act as may be appropriate to the case, with such variations and additions, if any, as circumstances may require, and the provisions of this section shall apply thereto.

"(2) In whichever of those three forms the deed of transfer is made, it shall have effect as follows (namely)—

"(i) There shall become vested in the person to whom the benefit of the mortgage is expressed to be transferred, who, with his executors, administrators, and assigns, is hereafter in this section designated the transferee, the right to demand, sue for, recover, and give receipts for the mortgage money, or the unpaid part thereof, and the interest then due, if any, and thenceforth to become due thereon, and the benefit of all securities for the same, and the benefit of and the right to sue on all covenants with the mortgagee, and the right to exercise all powers of the mortgagee:

"(ii) All the estate and interest, subject to redemption, of the mortgagee in the mortgaged land shall vest in the transferee, subject to redemption.

"(3) If the deed of transfer is made in the form (B), there shall also be deemed to be included, and there shall by virtue of this Act be implied therein, a covenant with the transferee by the person expressed to join therein as covenantor to the effect following (namely)—

"That the covenantor will, on the next of the days by the mortgage deed fixed for payment of interest, pay to the transferee the stated mortgage money, or so much thereof as then remains unpaid, with interest thereon, or on the unpaid part thereof, in the meantime, at the rate stated in the mortgage deed; and will thereafter, as long as the mortgage money, or any part thereof, remains unpaid, pay to the transferee interest on that sum, or the unpaid part thereof, at the same rate, on the successive days by the mortgage deed fixed for payment of interest.

"(4) If the deed of transfer is made in the form (C), it shall, by virtue of this Act, operate not only as a statutory transfer of mortgage, but also as a statutory mortgage, and the provisions of this section shall have effect in relation thereto, accordingly; but it shall not be liable to any increased stamp duty by reason only of its being designated a mortgage.

"28 In a deed of statutory mortgage, or of statutory transfer of mortgage, where more persons than one are expressed to convey as mortgagors, or to join as covenantors, the implied covenant on their part shall be deemed to be a joint and several covenant by them, and where there are more mortgagees or more transferees than one, the implied covenant with them shall be deemed to be a covenant with them jointly, unless the amount secured is expressed to be secured to them in shares or distinct sums, in which latter case the implied covenant with them shall be deemed to be a covenant with each severally in respect of the share or distinct sum secured to him"

The three forms to which reference is, made are as follows—

(A)

DEED OF STATUTORY TRANSFER, MORTGAGOR NOT JOINING.

"This Indenture made by way of statutory transfer of mortgage the day of between M of (etc) of the one part and T of (etc) of the other part supplemental to an indenture made by way of statutory mortgage dated the day

of , and made between (etc.) Witnesseth that in consideration of the sum of £ now paid to M. by T. being the aggregate amount of £ mortgage money and £ interest due in respect of the said mortgage of which sum M. hereby acknowledges the receipt M. as mortgagee hereby conveys and transfers to T. the benefit of the said mortgage.

"In witness, etc."

(B.)

DEED OF STATUTORY TRANSFER, A COVENANTOR JOINING.

"This Indenture made by way of statutory transfer of mortgage the day of between A. of (etc.) of the first part, B. of (etc.) of the second part, and C. of (etc.) of the third part supplemental to an indenture made by way of statutory mortgage dated the day of and made between (etc.) Witnesseth that in consideration of the sum of £ now paid to A. by C. being the mortgage money due in respect of the said mortgage no interest being now due and payable thereon of which sum A. hereby acknowledges the receipt A. as mortgagee with the concurrence of B. who joins herein as covenantor hereby conveys and transfers to C. the benefit of the said mortgage.

"In witness, etc."

(C.)

STATUTORY TRANSFER AND STATUTORY MORTGAGE COMBINED.

"This Indenture made by way of statutory transfer of mortgage and statutory mortgage the day of between A. of (etc.) of the first part, B. of (etc.) of the second part, and C. of (etc.) of the third part supplemental to an indenture made by way of statutory mortgage dated the day of and made between (etc.) Where-as the principal sum of £ only remains due in respect of the said mortgage as the mortgage money and no interest is now due and payable thereon And whereas B. is seised in fee simple of the land comprised in the said mortgage subject to that mortgage Now this Indenture witnesseth that in consideration of the sum of £ now paid to A. by C. of which sum A. hereby acknowledges the receipt and B. hereby acknowledges the payment and receipt as aforesaid A. as mortgagee hereby conveys and transfers to C. the benefit of the said mortgage And this Indenture also witnesseth that for the same consideration A. as mortgagee and according to his estate and by direction of B. hereby conveys and B. as beneficial owner hereby conveys and conforms to C. All that (etc.) To hold to and to the use of C. in fee simple for securing payment on the day of of the sum of £ as the mortgage money with interest thereon at the rate of (four) per centum per annum..

"In witness, etc."

Lastly, when the question of reconveyance to the mortgagor arises, the deed should be in statutory form if the mortgage is a statutory one. By section 29 of the Act—

"A reconveyance of a statutory mortgage may be made by a deed expressed to be made by way of statutory reconveyance of mortgage, being in the form given in Part III of the Third Schedule to this Act, with such variations and additions, if any, as circumstances may require," and the form is as follows—

"This Indenture made by way of statutory reconveyance of mortgage the day of between C. of (etc.) of the one part and B. of

(etc.) of the other part supplemental to an indenture made by way of statutory transfer of mortgage dated the day of and made between (etc.) Witnesseth that in consideration of all principal money and interest due under that indenture having been paid of which principal and interest C. hereby acknowledges the receipt C. as mortgagee hereby conveys to B. all the lands and hereditaments now vested in C. under the said indenture To hold to and to the use of B. in fee simple discharged from all principal money and interest secured by and from all claims and demands under the said indenture.

"In witness, etc."

(See MORTGAGE.)

STATUTORY RECEIPT.—This name generally occurs in the case where moneys intended to be secured by a mortgage to a building society have been fully paid. The society is enabled to indorse upon or annex to the mortgage a reconveyance to the same of the equity of redemption (q.v.), or a receipt under the seal of the society, countersigned by the secretary or the manager. The statutory receipt is in the following form—

"The building society hereby acknowledge to have received all moneys intended to be secured by the within (or above) written deed.

"In witness whereof, the seal of the society is hereto affixed this day of by order of the board of directors (or committee of management) in presence of

Secretary (or Manager).

L.S.

This statutory receipt vacates the mortgage and vests the estate of and in the property therein comprised in the person for the time being entitled to the equity of redemption, without any reconveyance or re-surrender whatever (Building Societies Act, 1874, sect. 42). The receipt is exempt from stamp duty. (See BUILDING SOCIETY.)

STATUTORY REPORT.—Under the Companies (Consolidation) Act, 1908, the directors of a company limited by shares must, at least seven days before the date on which the statutory meeting (q.v.) is appointed to be held, forward a report, called the statutory report, to every member of the company and to every other person entitled to receive it. For the requirements of the Act regarding this report see under heading MEETINGS.

STAY OF PROCEEDINGS AFTER BANKRUPTCY.—Just as bankruptcy operates to prevent the institution of proceedings against the debtor, so it has effect to enable proceedings already started to be stayed. Thus the court may at any time after the presentation of a bankruptcy petition stay any action, execution, or other legal process against the property or person of the debtor; and any court in which proceedings are pending against a debtor may, on proof that a bankruptcy petition has been presented by or against the debtor, either stay the proceedings or allow them to continue on such terms as it may think just. The court may even restrain proceedings against the debtor or his estate, although no receiving order has been made; but the general rule is that the court will not restrain proceedings to which the discharge of the debtor would be no defence. For instance, a claim in tort against a bankrupt for a fraudulent breach of trust would not be restrained. But to persevere in such an action is practically useless, as execution is not allowed until after the discharge, and there

is probably not much to be gained from a judgment even when it is recovered. A distress and a committal order for non-payment of rates will not be restrained.

STEALING.—(See LARCENY)

STEARINE.—This is to be found in most fats, particularly in mutton fat, and is used in the manufacture of the better class candles.

STEATITE.—A variety of talc (*qv*). It is a soft kind of magnesium silicate, with a soapy feel. It is yellowish white in colour, and is found in many parts of the world. Large quantities are obtained from Cornwall. It is used for polishing mirrors, filling cloth, and as a lubricant. When powdered, it forms French chalk, and is employed in the preparation of rouge (*qv*) and in the manufacture of porcelain. It is also used by tailors for marking cloth. Steatite is variously referred to as soapstone, Venice talc, and Brancion chalk.

STEEL.—A metal consisting of iron, with the addition of a small percentage of carbon. The high carbon variety, containing from 1 to 2 per cent of carbon, becomes very hard and brittle when quenched in water after having been heated red hot. It is specially adapted for cutting tools. The so-called mild steel contains a smaller percentage of carbon, and is hence known as low-carbon steel. It is of great value as a constructive material.

The manufacture of steel is a modern outcome of the iron industry. Steel is iron hardened by the addition of carbon and generally toughened by the help of manganese, chromium, nickel, molybdenum, vanadium or tungsten. The latter metals are used in small quantities but their importance has made their ores valuable. Some of them have also other uses. Manganese ores come chiefly from the United States, the Gold Coast, Caucasia, and Ukraina; chromium ores from Turkey and New Caledonia; nickel ores from Canada, New Caledonia and Norway, and vanadium ores from Peru and the United States.

Steel-making is the monopoly of the iron-producing centres. The United States used to lead with about 40 per cent of the world's production, with Germany (25 per cent) second, and Great Britain (12 per cent) third. The war, however, greatly stimulated British production which is now second to that of the United States. Swedish steel is small in amount but has considerable fame. Spanish steel has had a high reputation for several centuries.

STEEL PENS.—These pen-nibs of steel are made entirely by machinery. Birmingham is the chief centre of the industry.

STEERAGE.—An apartment in the fore part of a vessel in which passengers of the poorer class travel, or those who pay the lowest rates.

STEM.—To stem a vessel is to load her, or to arrange to load her with coal within a fixed time.

STENCILLING.—This is an art which was well known to and practised by the Egyptians and the Romans. It consists in cutting out, from sheets of metal or other substance, spaces, as of ornaments or lettering, then laying the metal sheet upon a flat surface and painting or inking through, when the impression required is left upon the surface which is to be ornamented or lettered. The most elaborate work can be carried out by means of this art, and it has reached a high pitch of perfection in Italy.

STENCILS.—(See DUPLICATING)

STENOGRAPHY.—(See SHORTHAND.)

STERE.—The unit of volume in the metric system. It is, in fact, the cubic metre, and, compared with the English measure it is equal to 1 30802 cub yds., or 35 316 cub. ft. One cub. yd. is equal to 0 7645 steres. The word is derived from the Greek *stereos*, which means "cubic" (See METRIC SYSTEM)

STERLING.—When gold and silver are of the standard fineness, *ie*, when they are of the nature and character prescribed by law, they are said to be sterling metals.

STERLING BONDS.—The bonds of certain foreign countries which have been issued in the United Kingdom and are payable in English currency, and not in that of the country upon the securities of which they are issued.

STET.—A Latin word, signifying "let it stand." When entries which have been made in a book are ruled out by mistake, the error is very frequently corrected by writing the word "stet" opposite to them, a different coloured ink being often used for this purpose, to indicate that the entries as they originally stood are to be taken as correct.

STEVEDORES.—The persons who are employed in loading or unloading the cargoes of ships.

STEWARD.—This word is used in two senses. In the first place it is applied to the agent of a landowner, *ie*, the person who really manages the estate in every particular. In the other case the word means the person who has charge of the provision department of a ship.

ST. HELENA.—For historical reasons, this island is better known than any other of the solitary strips of land which are to be found in the various oceans far removed from the mainland. It is situated in the South Atlantic Ocean, in 15° 55' south latitude and 5° 42' west longitude. The nearest point of the African coast is 1,140 miles distant, whilst South America is 1,800 miles off. From 1673 to 1834—except between 1815 and 1821—it was held under a charter by the East India Company, but since 1834 it has been in the hands of the British Government, and its administration is in the hands of a Governor with the aid of an executive council.

The area of St. Helena is forty-seven square miles, and the population is about 3,630.

The island occupied for a long period a very important position as a place of call for vessels going out to and returning from the East, but its commercial character was practically ruined by the opening of the Suez Canal, and it is not much visited now-a-days except by sailing vessels. It has, however, been recognised as an advantageous coaling-station for the British navy.

The cultivation of flax is increasing, but the lace industry which was recently established, has had to be abandoned. Other industries are fishing and agriculture.

Jamestown is the capital, with a population of about 2,000.

Mails are despatched regularly once a month, and the time of transit from London is between sixteen and seventeen days. The distance of Jamestown from London is about 4,480 miles.

The position of St. Helena is indicated on the map of AFRICA.

STIFFENING ORDER.—This is the name given to the permission granted by the Custom House authorities for a ship to take in ballast or heavy cargo, previous to her being finally loaded.

STILTON.—The best of all English cheeses. It improves when kept, and is rarely put on the market until at least two years after manufacture. It takes its name from Stilton in Huntingdonshire, but it is now made in other parts of the country also.

STINKWOOD.—This name is given to the wood of two species of trees growing in the Cape, on account of its offensive smell. One variety is strong and durable, and somewhat resembles walnut wood in appearance. It is used for making gun-stocks. The other variety is more liable to warp. It is a compact wood of a greenish colour.

STIPEND.—A payment for services regularly rendered; a salary. The word is derived from the Latin *stipendium*, which is a compound of *stips*, "a coin," and *pendo*, "I pay."

STIPENDIARY MAGISTRATE.—A paid justice. A court of summary jurisdiction (*q.v.*) is generally presided over by two or more justices of the peace, who may or may not have received a legal education, and who are really governed in their decisions by the clerk of the court. In towns which have a population of over 25,000, a stipendiary magistrate is now frequently appointed, and he has all the powers conferred upon two justices. No such officer is appointed except upon a petition presented by the borough to the King through the Home Secretary, and it is in the hands of this Cabinet Minister that the nomination really lies, with the exception of the Stipendiary of Salford, who is appointed by the Chancellor of the Duchy of Lancaster. The salary to be paid to a stipendiary is fixed by the borough, subject to the approval of the Home Secretary. Any barrister of not less than seven years' standing is eligible for the position. As soon as the appointment is made the stipendiary becomes, *ex officio*, a justice of the peace for the borough in which he has to exercise his duties. In London the magistrates who correspond to the stipendiaries of the provinces are called metropolitan magistrates, but their appointment is carried out in exactly the same manner, *i.e.*, they are nominated by the Home Secretary.

STOCK.—Although the word "stock" is applied to the national debt of a country, and also to an accumulation of goods in a warehouse or other similar place, it is most generally used in connection with the capital of a joint stock company. It is the money contributed by the members for the conduct of the business. A member may hold so much stock or so many shares in the company. But there is a difference between shares and stock when a transfer is considered. Stock may be held and transferred in any fractional amounts, whereas shares are for fixed amounts. Thus, a person may hold £235 6s. 11d. of stock if the capital is dealt with in that way; but if the capital is divided into shares of, say £5 each, fully paid, the nominal monetary value of the shares held by a person must be divisible exactly by 5. Stock, by its nature, is fully paid up, but upon shares there is often a liability outstanding.

There are different varieties of stock, as guaranteed, preference, ordinary, deferred, and other kinds, which entitle the holders to special rights in the matter of dividends, and also in a division of the assets upon a winding up of the company.

In companies where Table A applies (see sect. 11 under ARTICLES OF ASSOCIATION) the regulations are—

Conversion of Shares into Stock.

"31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction reconvert any stock into paid up shares of any denomination.

"32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

"33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges, and advantages as regards dividends, voting at meetings of the company, and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

"34. Such of the regulations of the company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words 'share' and 'shareholder' therein shall include 'stock' and 'stockholder.'" (See COMPANIES, SHARE CAPITAL.)

A company which is limited by shares may modify the conditions of its memorandum of association and convert its paid-up shares into stock. The effect of the conversion of shares into stock is thus stated in sect. 43 of the Companies (Consolidation) Act, 1908—

"Where a company having a share capital has converted any of its shares into stock, and given notice of the conversion to the registrar of companies, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be forwarded to the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares heretofore required by this Act."

STOCKBROKER.—A person whose business it is to deal in stocks and shares. Under the rules of the Stock Exchange the public are excluded from that building, and it is only through the medium of a middleman that business can be transacted between a stock-jobber (*q.v.*) and the public. The stockbroker occupies the position of middleman. Full details as to charges, duties, etc., are given under separate headings. A stockbroker, a member of the Exchange, is to be carefully distinguished from an outside broker (*q.v.*). Also, there is a difference between a stockbroker and a stock-jobber. The stock-jobber or dealer has no relations with the public except in one or two exceptional instances. In business relations the broker and the jobber are at arms' lengths, and in the respective positions of buyer and seller. It follows that partnerships between brokers or firms and jobbers cannot exist—in fact, they are forbidden.

STOCKBROKERS' CHARGES.—Although in the case of one or two provincial Stock Exchanges there has been for several years an official scale of *minimum* charges, in the case of the London Stock Exchange it was not until February, 1912, that the Committee fixed a scale of commissions. The official scale is now as follows—

Official Scale of Minimum Commissions.

Securities of or Guaranteed by the British or Indian Government having a currency of not more than Twelve Years, in bargains of not less than £20,000 Stock.	} ½% on Stock.
Foreign Government Bonds Price 20 or under	
Foreign Railway and other Bonds to Bearer Price 20 or under	} ½ " " "
Consols and Annuities	
War Loan and other war creations of the British Government	} ½ " " "
Other British Government Securities	
Indian Government, Metropolitan Consolidated and London County Consolidated Stocks	} ½ " " "
Foreign Government Bonds Price over 20	
Foreign Railway and other Bonds to Bearer Price over 20	} ½ " " "
Colonial Government Securities	
County, Corporation and Provincial Securities (British, Indian, Colonial, or Foreign)	} ½ " " "
Bank of England and Bank of Ireland Stock	
Registered Stocks (including British Railway Stocks	½ " " "

Shares, Registered or Bearer, other than Shares of \$50 or \$100 Denomination dealt in in the American Market—

Price	1 0 or under	At discretion
£ s. d.	£ s. d.	s. d.
Over 0 1 0 to 0 2 0	0 0 0	0 0 ½ per share
" 0 2 0 to 0 3 6	0 0 0	0 0 ½ "
" 0 3 6 to 0 5 0	0 0 0	0 0 1 "
" 0 5 0 to 0 15 0	0 0 0	0 0 1 ½ "
" 0 15 0 to 1 10 0	0 0 0	0 0 3 "
" 1 10 0 to 2 0 0	0 0 0	0 0 4 ½ "
" 2 0 0 to 3 0 0	0 0 0	0 0 6 "
" 3 0 0 to 4 0 0	0 0 0	0 0 7 ½ "
" 4 0 0 to 5 0 0	0 0 0	0 0 9 "
" 5 0 0 to 7 10 0	0 0 0	0 0 1 0 "
" 7 10 0 to 10 0 0	0 0 0	0 0 1 3 "
" 10 0 0 to 15 0 0	0 0 0	0 0 1 6 "
" 15 0 0 to 20 0 0	0 0 0	0 0 2 0 "
" 20 0 0 to 25 0 0	0 0 0	0 0 2 6 "
" 25 0 0	0 0 0	½ % on Monday

SMALL BARGAINS.—No lower commission than 10s. to be charged except in the case of transactions amounting to less than £20 in value on which a commission of not less than 5s. must be charged. The 10s. minimum refers to bargains of over £20 up to £100, but for those exceeding £100 the minimum is 20s.

For continuing or carrying over bargains, brokers make a charge. Sometimes this is included in the carry-over rate which the broker charges his client—sometimes he charges half the ordinary rates of commission each time the bargain is continued, *i.e.*, each account. Brokers do not charge for lodging applications for new loans or shares on behalf of clients, for in such cases it is customary for them to receive from the company or issuing house a commission—usually ½ but sometimes ¼ per cent—in respect of all applications bearing their stamp on which stock or shares have been allotted.

STOCKBROKERS' LOANS.—When a client has instructed a stockbroker to make certain purchases of stocks or shares for him, unless there has been a long course of dealing or the broker has the fullest confidence in the financial stability of his client, the latter will deposit securities with the broker to cover the advances which the stockbroker will have to make in order to carry out the purchases authorised. Owing to the immense number of transactions which a stockbroker in good practice will have to conduct, he will be compelled on many occasions to borrow money from a banker, and if he does so he in turn deposits the securities of his clients as a cover for his loans. This he is entitled to do, but there will sometimes arise difficult questions between the parties when the stockbroker is unable to redeem the securities and repay to the banker the loans which he has contracted. Of course, in reality, the interest which the broker has in the securities deposited by his client is limited to the amount which he has advanced to the purchase of stock, or shares, on the instructions of the client. Now the banker may or may not know that the securities deposited with him by the broker are the property of another person. This question has been litigated over and over again in the courts, and the result of the decisions may be summed up as follows—

(1) If the banker has definite knowledge when he takes certain securities from a broker that the broker is dealing with them beyond his authority—that is, that they are being handed to the banker to cover a greater sum than the amount lent by the broker to the client—the client will be entitled to redeem them from the banker, even if they have been transferred into the banker's name, on paying the amount due by him to the broker.

(2) If the banker has no reason to suppose that the securities are not the broker's own property, the client will not be entitled to redeem them except by payment of the full amount of the indebtedness of the broker to the banker.

When negotiable securities are pledged with a banker by a broker, there is no obligation imposed upon the banker to inquire as to whether they are the property of the broker or not. If there is anything to arouse suspicion the banker would be put upon inquiry, but, apart from that, any "person taking a negotiable instrument in good faith and for value obtains a title valid against all the world." Generally speaking, a thing is said to be done in good faith when it is done honestly, whether it is done negligently or not.

When a banker has notice that a broker has power to pledge a client's securities only up to a limited extent, the banker's advance to the broker upon any such securities should not, of course, exceed that limit. The banker ought, for his own sake, to procure a letter or a memorandum from the broker's client agreeing to the broker's

charging the securities to the extent of the client's indebtedness to the broker

STOCKBROKING TRANSACTIONS.—Instead of going direct to a stockbroker to negotiate the purchase or sale of stocks or shares, a person may request his banker to do the business for him, and in point of fact a great deal of work of this kind is carried out by bankers for their customers. It is always advisable that when a request like this is made the instructions should be in writing, giving full details, so that there may be no misunderstanding afterwards. Thus, if it is a case of a sale, the request should be signed by the person in whose name the stocks or shares are registered, and if the registration is in the names of several persons, the signatures of all of them should be appended. Then the securities to be dealt with should be accurately described, a note made of the amount to be sold or bought, and the price at which the sale or purchase is to be effected. A common form inserted is an order to sell at "not less than £— per cent." or per share; or it may be to sell "at best price." If it is a case of purchase, it should be particularly noted whether the amount to be invested is a fixed sum of money, say, £1,000, or whether the order is to purchase £1,000 worth of stock which may obviously be an investment of more or less than £1,000 in money.

The banker must be just as careful as his customer in transmitting instructions to the stockbroker, otherwise difficulties may arise. With regard to the monetary transaction, the banker will make what arrangements he likes, either being paid on a separate account by his customer, or obtaining an authority to charge the customer's general account for the sum involved. In practice the latter plan is generally considered advisable.

An order to buy or to sell is not subject to stamp duty; if an order to buy includes an authority to charge the purchase price to the customer's account it is said not to require a stamp, but as such an order practically acts as a cheque some bankers consider that it should bear a twopenny stamp.

STOCK CERTIFICATE TO BEARER.—This is a certificate which entitles the bearer to the stock mentioned therein, and which is transferable by simple delivery of the certificate. The duty payable is noticed under *SHARE WARRANT (qv)*.

By the Stamp Act, 1891, sect. 109—

"(1) Where the holder of a stock certificate to bearer has been entered on the register of the local authority as the owner of the share of stock described in the certificate, the certificate shall be forthwith cancelled so as to be incapable of being re-issued to any person.

"(2) Every person by whom a stock certificate to bearer is issued without being duly stamped shall incur a fine of fifty pounds."

By section 5 of the Finance Act, 1899, the duty on stock certificates to bearer shall extend to any instrument to bearer issued by or on behalf of any company or body of persons in the United Kingdom and having a like effect as a stock certificate to bearer.

Stock certificates to bearer for various Government and corporation stocks transferable at the Bank of England can be obtained from the Bank. The stockholder must either attend at the Bank in person to transfer the stock and receive the certificates, or grant a power of attorney to some person, or firm, for this purpose.

By section 7 of the Trustee Act, 1893 (1), a trustee,

unless authorised by the terms of his trust, shall not apply for or hold any certificate to bearer issued under the authority of any of the following Acts—

(a) The India Stock Certificate Act, 1863; (b) The National Debt Act, 1870; (c) The Local Loans Act, 1875; (d) The Colonial Stock Act, 1877. (See *MARKETABLE SECURITY*)

A facsimile of a stock certificate is given as an inset.

STOCK EXCHANGE: HISTORY, CONSTITUTION, ETC.—In view of the great importance of the London Stock Exchange, it is surprising how little back its history goes—indeed, it is surprising how little history it appears to have. Every Stock Exchange owes its origin to the creation of paper interest-bearing securities which can change hands, and it is with the development of joint stock enterprise that the Stock Exchange has grown. The first big joint stock undertaking in this country was the New River Company, which was carried out in the reign of James I. It was not, however, until the year 1694, when the Bank of England was formed, that any considerable development of joint stock enterprise was shown. Bank of England stock was issued to the value of £1,200,000, which sum was lent to the Government in exchange for certain privileges. Four years later, a public company was formed to take over the monopoly of the old East India Company, and the scenes that attended the opening of the subscription lists are historical. These lists were opened at Mercers' Hall in Cheapside, and as soon as the doors were flung wide, an enormous crowd of individuals pushed their way in with their money in their hands, much in the same way as a crowd nowadays enters the gallery or pit doors of a theatre in the early days of a great popular success. Before nightfall, £600,000 had been subscribed. Demand soon creates supply, and there was no lack of negotiable securities into which the public could place its surplus money, in fact, during this period was laid the foundation of our National Debt, for in 1695 national loans were raised at 8 per cent. to defray the cost of the war with France. These were by no means the first borrowings on behalf of the English Crown, but they differed from former loans, inasmuch as they were thrown open to public subscription instead of being raised from the goldsmiths or trading guilds.

In the year 1719, in the reign of George I, the public took an even greater interest in joint stock companies. In this memorable year was floated the South Sea Company, the original object of which was the conversion of the National Debt, which at that time amounted to something like £31,000,000. The idea was that in exchange for various trading monopolies to be conferred upon it, the South Sea Company should take over the whole of the existing Government Debt, which at that time paid 5 per cent. interest, and should, in addition, pay the Government the sum of £7,000,000 sterling. This proved to be a very bad bargain both for the South Sea Company and for the public. Holders of Government debt were readily induced to exchange their 5 per cent. security for stock in the South Sea Company, which claimed that it would easily earn 10 per cent. without reference to untold possibilities arising out of its trading monopolies. In a few months the £100 shares in the South Sea Company were changing hands at £1,000 each, and a stock gambling mania set in. Hundreds of similar companies were formed, some of them with the most preposterous

[FORM OF STOCK CERTIFICATE.]

COUNTERFOIL.	RECEIPT	CERTIFICATE.
(Transferable only in multiples of £.)	No. 1.	(This Stock may be transferred only in multiples of £.)
No. 1. £	Receipt for Certificate	No. 1. £
The Co., Ltd.	when sent by post.	The Co., Limited,
Ordinary Stock	To be signed and	Incorporated with Limited Liability
(£100,000)	returned to the Secretary of The	under the Companies Acts, 1908 to 1917.
Name	Co., Ltd.,	Ordinary Stock
Address		(£100,000)
Amount of Stock	Received a Stock Certificate.	This is to certify that
Date of Sealing	No. 1 for £	of is the registered proprietor
Date of dispatch if sent by post	Ordinary Stock in the above Company.	of £ Ordinary Stock of the
	(Signature of Stockholder or Broker.)	above-named Company, subject to the Memorandum and Articles of Association.
	Date received	Given under the Common Seal of the Company this day
	19 .	of 19. .
		} Directors.  Secretary.
		NOTE.—No transfer of any part of the Stock comprised in this Certificate will be registered, or a new Certificate issued, until this Certificate is surrendered to the Company for cancellation. .

schemes imaginable, and people tumbled over one another to take shares in them, and, as soon as these were all allotted, competed one with another to purchase shares at inflated prices. There is no need here to deal with the collapse of the South Sea Bubble. This was England's first financial panic, and, although the Government stepped in and did what it could, thousands of people were irretrievably ruined, but by this time a regular business had sprung up in connection with transactions in stocks, and the stockbroker had become an institution. Obviously such numerous dealings in stocks gave employment to a large number of intermediaries. Before the South Sea boom, a certain number of individuals were in the habit of attending at the Royal Exchange to deal in the few million pounds of National Debt that could be transferred, but by the year 1700 they had deserted this building and frequented the various coffee-houses in Cornhill and the numerous alleys and lanes round about that thoroughfare. Another factor that contributed largely to the creation of the profession of stockbroker or stock jobber was that a large number of foreigners, and particularly the Dutch, held stock in the East India, the South Sea, and other similar companies. Persons resident abroad would naturally require agents to buy and sell for them, as would persons living in the provinces. Although the South Sea collapse caused widespread ruin, the public soon regained confidence, which was increased by the regular payments of interest on the National Debt, and the gentlemen who thronged the coffee-houses already referred to found plenty of business to do. It is easy to see how in course of time the interests of the *habituals* of these coffee-houses would conflict with those of the proprietors of the latter. The dealers in stock would naturally desire to exclude weak or insolvent individuals, and hangers-on who would only interfere with the smooth running of business, whilst the coffee-house proprietors would desire to admit all individuals who had the wherewithal to pay for the accommodation. Sooner or later, therefore, the need would obviously arise for some institution more exclusive than a public coffee-house could possibly be. One of the best known of these coffee-houses was known as "New Jonathan's," to which an admission fee of 6d. was charged, and in the year 1773 the frequenters of this coffee-house resolved that it should be known as the "Stock Exchange." The necessity for a larger and more exclusive institution made itself felt to such a degree, however, that a number of brokers combined together to purchase a site at Capel Court, close to the Bank of England. They subscribed a capital of £20,000, divided into shares of £50 each, and erected the first portion of the Stock Exchange building, which was opened in 1802. Already in the later days at "New Jonathan's," a general committee had been formed which managed affairs, looked after the liquidation of the accounts of defaulting members, and served generally as a court of appeal in connection with transactions in stocks. The first committee of the Stock Exchange was composed of thirty individuals, consisting of the nine promoters of the scheme and twenty-one other shareholders. Members were elected by ballot, and the subscription to the Stock Exchange was ten guineas; on the opening of the Stock Exchange on the date named there were 500 members.

During the years that divide the opening of the Stock Exchange from the present day, there have

been several booms or speculations, each of which brought considerable increase in the number of members. Prominent amongst these was the great railway boom, and in 1845 the official list of the Stock Exchange quoted some 280 different railway shares. In 1850 the membership had increased to over 900, and by 1912 it had grown to over 8,000. The original building was pulled down, and between 1850 and 1860 much of the existing building was constructed, although extensions have from time to time been found necessary.

Unlike most other countries in which the Bourse or Stock Exchange is a semi-public institution, more or less under Government or municipal control, the London Stock Exchange is wholly a private institution, governed by a committee elected by its own members. The ruling of this committee is absolute as regards members, and it decides all questions of management and procedure. The committee consists of thirty members, who hold office for one year, expiring on 25th March, when all retire, but are eligible for re-election. The Stock Exchange is owned by a company, on the shares of which excellent dividends are paid. Every new member must hold at least one share in the company owning the building. No member of the Stock Exchange is eligible for election to the committee unless he has been a member for at least five years. The committee has most extensive powers, including the right to expel or suspend any member who violates any of its rules or regulations, fails to comply with its decisions, or is in its opinion guilty of dishonourable or disgraceful conduct. It has power also to notify to the public the expulsion or suspension of any member, or the fact that he has become a defaulter.

On the first Monday of every March the committee re-elects members and admits new members for one year, commencing on the 25th of that month. Each applicant for re-election or admission has to sign a declaration stating whether he proposes to act as a broker, dealer, or clerk. Candidates for admission must obtain the nomination of a member willing to retire in their favour, or of a former member, or of the legal representatives of a deceased member, unless such candidates have completed four years' service as clerks in the Stock Exchange or Settling Room, in which case they may make application to be placed on what is known as the "Waiting List" of candidates for election without nomination, and as soon as they fall within the number fixed by the committee they may be elected.

In view of the fact that the number of foreigners on the Stock Exchange is exceedingly large, it is interesting to note that, according to the rules, a candidate who has been a foreign subject is ineligible for membership until he has been resident in this country for ten years and has been a naturalised British subject for at least five years. Persons of German, Austrian, Hungarian, Bulgarian or Turkish birth are not eligible to be members. Every member is prohibited from being engaged as principal or employee in any business other than that of the Stock Exchange, and this prohibition extends also to his wife. A candidate for admission must be recommended by three members who have themselves been members for not less than four years and engage themselves to pay £500 to the creditors of the candidate, should the latter be declared a defaulter within four years of the date of his admission. If, however, the candidate has

served as a clerk in the Stock Exchange or Settling Room for four years, the number of recommending members is reduced to two, and their guarantee is for £300 instead of £500. Such recommending members are known as "sureties," and these gentlemen have to answer the following questions—

(1) Has the applicant ever been a bankrupt, or has he ever compounded with his creditors? and, if so, within what time and what amount of dividend has been paid?

(2) Would you take his cheque for £3,000 in the ordinary way of business?

(3) Do you consider he may be safely dealt with in securities for the account?

and such further questions as may be deemed necessary.

Members are not permitted to go to law with one another in connection with claims arising out of Stock Exchange transactions, unless they have first obtained the committee's sanction, and should this rule be infringed, the committee has power to intervene and to deal with the offending members as it thinks fit. It may here be mentioned that members of the Stock Exchange, like those of the medical and legal professions, are absolutely prohibited from advertising and from issuing circulars to any individuals other than their own clients.

STOCK EXCHANGE ABBREVIATIONS.—The abbreviations used in connection with Stock Exchange operations, except as regards the names of securities, are surprisingly few. The principal are—

Cum-div. (or c.d.) = cum-dividend.

Ex-div. (or x.d.) = ex-dividend.

c.r. = cum rights.

x.r. = ex rights

S.S. = special settlement.

The first four abbreviations are placed against quotations, and their meaning is as follows—

Cum-dividend denotes that the purchaser at the quotation against which the letters "c.d." are affixed is entitled to receive the dividend or interest which has just been declared or is payable, even though payment has actually been made or will be made to a prior holder.

Ex-dividend denotes the direct contrary, the purchaser of a security at a price against which this indication appears not being entitled to the dividend or interest, even though it may be paid to him by the company. In this event it is claimed from him on behalf of the purchaser. In such a case it would be said that the seller sold ex-div. and the buyer purchased cum-div. It is customary on a given date, after a dividend or coupon has been paid, to quote it ex-div., and this indication remains against the quotation for a short period until no one can reasonably be in doubt as to whether or not it includes the dividend last paid.

Cum-rights and ex-rights (sometimes expressed "cum new" and "ex new") shows that the quotations against which these indications appear include, or do not include, as the case may be, certain rights that may have attached to the shares or stock to acquire additional shares or stock at more favourable terms than the market price, this being a frequent form of giving a bonus to shareholders.

Special settlement is often put against the name or quotation of a Stock Exchange security, and indicates that purchases or sales in that particular security will not be settled on the usual Stock Exchange account day, but must stand over until the Stock Exchange Committee has

appointed a special settling day for all bargains in such security. New loans and shares are constantly being issued, and except in the case of actual cash transactions, bargains in such new securities, from the date of their issue until such time as the necessary Stock Exchange formalities have been complied with, are entered into for the special settlement. When this is once over, dealings in the security take place in the ordinary manner, the bargains being settled on the ordinary settling days.

If the number of abbreviations in ordinary use in Stock Exchange transactions is small, the same cannot be said of the abbreviated names by which Stock Exchange securities in which dealings are frequent are known. In many of these the wit so characteristic of Stock Exchange men finds full expression. It can readily be imagined that at a Stock Exchange where many thousands of securities are dealt in, and where it is often necessary to shout out the name of the particular security one wishes to buy or sell, much time would be lost if the full title of each security had to be given. The same applies to telegrams. The broker who wished to obtain from a jobber the current price of the ordinary stock of one of the most popular Argentine railways would find it a mouthful to have to enquire the price of "Buenos Ayres Great Southern Railway Ordinary Stock." Instead of doing this, he simply asks the price of "Bags," which the jobber understands perfectly to indicate the stock we have named. It will be noticed that this easy abbreviation consists of the first four initial letters of the title of the railway. The following is a list of the commonest abbreviated Stock Exchange names of securities—

Americans or Yankees.	Generic name for bonds and stocks of U.S. Railroads and industrial concerns dealt in on the London Stock Exchange.
Anglos.	Anglo - American Telegraph Company ordinary shares
Anglo A.	Anglo - American Telegraph Company deferred shares
Atch.	Atchison, Topeka, and Santa Fé Railroad common stock
Bags.	Buenos Ayres Great Southern Railway ordinary.
Bays	Hudson's Bay Company shares.
Berthas, or Brighton A.	London, Brighton and South Coast Railway deferred ordinary stock.
Berwicks.	North-Eastern Railway Consols.
Bex.	Bechuanaland Exploration Company shares
British.	North British Railway ordinary.
Brums.	London and North-Western Railway ordinary stock.
Caleys.	Caledonian Railway ordinary.
Canadas, or Canpacs.	Canadian Pacific Railway shares.
Chartered.	British South Africa Company shares.
Chats.	London, Chatham and Dover Railway ordinary.
Chat. Pref.	London, Chatham and Dover Railway preferred.
Coras.	Caledonian Railway deferred.
Districts.	Metropolitan District Railway ordinary.

Doras, or Dover A Dovers.	South - Eastern Railway deferred ordinary.
Easterns. Funds, The.	South - Eastern Railway ordinary. Great Eastern Railway ordinary. A comprehensive name for the various securities forming the National Debt and India Loans.
Generals.	London General Omnibus Company.
Gips Goldfields.	Great India Peninsular Railway. Consolidated Goldfields of South Africa.
Goschens. Haddock's.	2½ per cent. Consols. Great North of Scotland Railway ordinary.
Johnnies.	Johannesburg Consolidated Investment Company shares.
Kaffirs.	South African Mining Land and Investment Companies shares.
Kangaroos.	Shares in West Australian Mining and Land Companies.
Khakis. Leeds	The South African War Loan. Lancashire and Yorkshire Railway ordinary.
Little Chatham's. or Little Chats.	Arbitration "ordinary" stock of the London, Chatham, and Dover Railway.
Mails. Middles. Milks	Mexican Railway ordinary. Midland Railway ordinary. Chicago Milwaukee and St. Paul Railroad common.
Mists.	Mexican Railway first pre- ference.
Noras, or York A. Oceans.	Great Northern Railway de- ferred. Oceana Consolidated Company shares.
Penns. Potts.	Pennsylvania Railroad common. North Staffordshire Railway ordinary.
Rosies.	Buenos Ayres and Rosario Railway ordinary.
Doras, or Sheff. A. Sheffs.	Manchester and Sheffield Rail- way deferred. Manchester and Sheffield Rail- way ordinary.
Slops Slubbers. Soos.	Allsopp's Brewery ordinary. Bradford Dyers. Minneapolis, St. Paul and Sault Ste. Marie Railroad.
Soups.	Southern Pacific Railroad common.
Souths.	London and South - Western Railway ordinary.
Terrors.	Northern Territories Goldfields of Australia.
Trunks	Grand Trunk Railway of Canada stock.
Wabbons. Wags. Westerns.	Wabash Railroad debentures. West Australian Goldfields Great Western Railway ordi- nary.
Yorks.	Great Northern Railway ordi- nary.

STOCK EXCHANGE ACCOUNT.—(See ACCOUNT,
STOCK EXCHANGE.)

STOCK EXCHANGE CLERKS.—Clerks over 16
years of age are admitted to the Stock Exchange

with the permission of the committee. A member must apply for this permission for the admission of an authorised, unauthorised, or settling room clerk, and must satisfy the committee that the clerk is of proper age, that he has obtained a satisfactory reference from the clerk's last employer, and that he has a satisfactory knowledge of the clerk's previous career. If the clerk has been a foreign subject, he must on his first admission submit to the committee his certificate of naturalisation. If a commissioned officer in the regular army or navy he must submit to the committee a copy of the *London Gazette* in which his resignation is notified. If the clerk has been in partnership out of the Stock Exchange, he must submit to the committee a copy of the *London Gazette* in which the dissolution of his partnership is notified.

The maximum number of clerks permissible, but not necessarily allowed, is for an individual member, three, one authorised, two settling room. For a firm, five of which two may be authorised clerks.

Members may be employed as unauthorised clerks in excess of the numbers above allowed, and members may be employed as authorised clerks in excess of the numbers above allowed, with a limit of one for an individual member or two for a firm. A member employed as clerk, whether authorised or unauthorised, must not make a bargain in his own name, nor after the termination of his clerkship, if the same arises from the default of his employer, until he has obtained the permission of the committee.

A member applying for the admission of a clerk must satisfy the committee that the clerk is of the requisite age—an authorised clerk must be 21, an unauthorised or settling room clerk 16—and he must satisfy the committee that he would in all other respects be eligible for admission as a member. He must also be prepared to show that he has obtained a satisfactory reference from the clerk's last employer, and that he has a sufficient knowledge of the clerk's previous career. No member may, without the special permission of the committee, take into or continue in his employment any person of German, Austrian, Hungarian, Bulgarian or Turkish birth, or any former member who has been expelled, or who has applied for re-election and has been rejected. A member may apply for the admission of a defaulter as his clerk, either authorised or unauthorised, or to the settling room, but clerks so allowed are not admissible as members.

A notice of such application must be posted in the Stock Exchange for at least twenty-one days, and the committee shall then at a meeting specially summoned, and consisting of not less than twelve members, take the application into consideration upon the report of the sub-committee.

A resolution allowing such application must be carried by a majority of three-fourths of those present and must be confirmed by a majority present at a subsequent meeting specially summoned.

When application is made for the admission as a clerk of a person who has previously been engaged in business out of the Stock Exchange, the name and address of such person, together with the name of the member applying for his admission, must be posted in the Stock Exchange eight days prior to the application being considered by the committee.

A clerk will not be authorised to transact business until he has been admitted to the House or the

settling room for two years, with a minimum service in the House of one year.

A member, the liability of whose sureties is unexpired, must obtain their consent in writing before applying for the admission of an authorised clerk.

A list of authorised clerks, distinguishing those who are also members, and the names of their employers, must be posted in the Stock Exchange.

The authorised clerk of a dealer or jobber must not transact business in any securities other than those in which his employer deals.

A member authorising a clerk to transact business shall not be held answerable for money borrowed by the clerk, without security, unless he shall have given special authority for that purpose.

A clerk must not enter the House or the settling room, nor must an authorised clerk do a bargain, until his employer has received from the Secretary notice of his admission or authorisation.

STOCK EXCHANGE HOLIDAYS.—The Stock Exchange is closed on the following days, in addition to Sundays, Christmas Day, and Good Friday: January 1st, Easter Monday, May 1st, Whit Monday, first Monday in August, November 1st, December 26th, unless specially ordered otherwise by the Committee for General Purposes. When January 1st, May 1st, November 1st, or December 26th falls on a Sunday, the "House" is closed on the day following.

STOCK EXCHANGE OFFICIAL LIST.—The London Stock Exchange issues every afternoon an official price list. At the same time it issues an "unofficial" list, *i.e.*, a list showing the prices at which transactions have taken place in stocks which do not enjoy an official quotation. To secure the latter, various formalities and regulations laid down by the Stock Exchange, to protect investors, have to be complied with. (See QUOTATION ON LONDON STOCK EXCHANGE.)

When one compares the earlier lists with the present Stock Exchange Official List of sixteen pages and the unofficial list of eight pages, one gets some idea of the growth of investment business during the last century, as well as of the ever-growing importance of finance.

In each of the different sections of the Stock Exchange are displayed marking boards, on which, throughout the day, are shown in pencil the prices at which various bargains have been concluded.

STOCK EXCHANGE RULES AND REGULATIONS.—People who have dealings on the Stock Exchange are bound by rules and regulations of this institution. These rules and regulations are here set out in full. The publishers are indebted to the Committee of the London Stock Exchange for their kindness and courtesy in allowing the rules and regulations to be reproduced.

Committee. 1.—On the 20th day of March in every year or if that day should be a Sunday or Bank Holiday, then on the following business day, a ballot by the Members shall be held for the appointment of a Committee of Thirty Members who shall be called the "Committee for General Purposes," and shall hold office for twelve months from the 25th of March next following the date of their election, but shall be re-eligible. Notice of such ballot shall be publicly exhibited in The Stock Exchange during fourteen days previous to the same being held, and a further notice containing the names of the persons on the existing Committee willing to serve again and of all new candidates, their proposers and seconders, shall be publicly

exhibited in like manner during Three business days previous to such ballot being held. The Members on the said Committee retiring shall remain in office until the 25th of the same month of March in which their successors shall have been elected, and in case no election shall be made at any such ballot as aforesaid, the Members retiring shall remain in office until the 25th day of March in the following year, or until a valid election shall have taken place under Clause 92 (*Deed of Settlement*). Four business days' notice previous to any ballot of intention to propose any person not already on the Committee and eligible for re-election must be given to the Secretary of the Committee in writing signed by two Members, and the ballot shall be by printed lists containing the names of the persons willing to serve again and of all persons so proposed, distinguishing the former from the latter. In case no valid election be made on the day heretofore appointed for that object, the Committee may forthwith, or at any time thereafter, prior to the next ordinary yearly ballot, cause a ballot to be held for such election, on a day to be fixed by the Committee for that purpose, and in all respects, as lastly heretofore provided, and the Committee to be appointed by such ballot shall remain in office until the 25th day of March then next following. Every ballot for the election of the Committee for General Purposes, or for supplying vacancies in the Committee, shall be held at The Stock Exchange, and, except as specially provided by these presents, shall be conducted in accordance with the existing practice and usage in reference to such elections. In case of dispute as to what such practice and usage has been in any particular, the Committee shall from time to time determine the same by Resolution—*Deed of Settlement*, sect. xii, cl. 90.

2.—(1) No person shall be elected to the said Committee for General Purposes who shall not for the space of Five years immediately preceding the day of election have been a Member, and every person on ceasing to be a Member shall *ipso facto* vacate his seat on the Committee—*Deed of Settlement*, sect. xii, cl. 91.

(2) Every Member is entitled to vote although he may not have paid his subscription.

3.—(1) Any occasional vacancy in the said Committee for General Purposes shall be filled up by a ballot of Members to be held for the purpose on a day to be fixed by the Committee for General Purposes, and of which Seven days' previous notice shall be given by the same being publicly exhibited in The Stock Exchange. Similar notice of nomination shall be given as provided by Clause 90. The surviving or continuing Members on the Committee, notwithstanding any vacancy in their number, may act until the same shall be filled up—*Deed of Settlement*, sect. xii, cl. 92.

(2) Any person elected to supply an occasional vacancy in the said Committee shall hold office for the residue of the year in which he shall be elected, and shall then retire with the other Members of the said Committee—*Deed of Settlement*, sect. xii, cl. 93.

4.—(1) The said Committee for General Purposes shall meet at such times as they may from time to time appoint, and shall determine their own quorum (the same to be not less than Seven Members actually present), and mode of procedure—*Deed of Settlement*, sect. xii, cl. 98.

(2) Until otherwise determined, the quorum of

the said Committee shall be Seven Members personally present.—*Deed of Settlement*, sect. xii, cl. 99

5.—The said Committee for General Purposes shall regulate the transaction of business on The Stock Exchange, and may make rules and regulations not inconsistent with the provisions of these presents respecting the mode of conducting the ballot for the election of the Committee and respecting the admission (which includes re-election), expulsion or suspension of Members and their clerks, and the mode and conditions in and subject to which the business on The Stock Exchange shall be transacted, and the conduct of the persons transacting the same, and generally for the good order and government of the Members of the Stock Exchange, and may from time to time amend, alter or repeal such Rules and Regulations, or any of them, and may make any new, amended or additional rules and regulations for the purposes aforesaid.—*Deed of Settlement*, sect. xii, cl. 95

6.—(1) At their first ordinary Meeting after the Annual Election, the Committee shall elect from amongst themselves a Chairman and Deputy-Chairman, who shall respectively hold office till the 25th of March next ensuing. In case either appointment shall become vacant, it shall be filled up as soon afterwards as possible. When the Chairman and Deputy-Chairman are absent, the Meeting shall appoint a Chairman.

(2) In all cases when on a division the votes are equal, the Chairman shall have a second or casting vote.

7.—At the first Meeting of the Committee, one of the Members of The Stock Exchange shall be chosen Secretary, who shall hold his office during their pleasure.

8.—Three or more Members shall be appointed by the Committee to act as Scrutineers at elections, who shall report the result of the ballot to the Committee and to The Stock Exchange.

9.—(1) A Meeting of the Committee shall be held every Monday at a Quarter-past One o'clock, commencing on the first Monday after each annual election.

(2) A Special Meeting of the Committee may be called at any time by the Chairman or Deputy-Chairman, or, in their absence or in case of their refusal, by any three Members of the Committee. One hour's notice at least of such Meeting shall be posted in The Stock Exchange.

10.—(1) A Resolution of the Committee shall not be valid or put in force until confirmed, unless it relate to the shutting of the House, the admission of Members, or Clerks, the re-admission of Defaulters, the authorisation to carry on Arbitrage business, the fixing of ordinary settling days or the granting or refusing of special settlements and official quotations.

(2) If a Resolution be not confirmed, and another Resolution be substituted, the substituted Resolution shall also require confirmation at a subsequent Meeting.

(3) In cases which do not admit of delay, two-thirds of the Committee present must concur in favour of the immediate confirmation of the Resolution, and the urgency of the case must be stated on the Minutes.

11.—In all cases brought under the consideration of the Committee, their decision, when confirmed, is final and shall be carried out forthwith by every Member concerned.

12.—Notice shall be given in writing of any proposal to alter or add to the Rules, and a copy of such proposal shall be sent to each Member of the Committee.

13.—All communications to the Committee shall be made in writing, and no anonymous letter shall be acted upon.

14.—Members and their Clerks shall attend the Committee when required, and shall give such information as may be in their possession relative to any matter under investigation.

15.—The Committee may expel any of their own Members from the Committee who may be guilty of improper conduct. The Resolution for expulsion must be carried by a majority of two-thirds in a Committee specially summoned for the purpose, and consisting of not less than Twelve Members, and must be confirmed by a majority of the Committee, at a subsequent Meeting specially summoned.

16.—(1) The Committee may expel or suspend any Member who may violate any of the Rules or Regulations.

(2) The Committee may expel or suspend any Member who may fail to comply with any of the Committee's decisions.

(3) The Committee may expel or suspend any Member who may be guilty of dishonourable or disgraceful conduct.

17.—The Committee may censure or suspend any Member of The Stock Exchange who in his conduct or business may act in a manner detrimental to the interests of The Stock Exchange or unbefitting the character of a Member or who may conduct himself in an improper or disorderly manner, or wilfully obstruct the business of the House.

18.—A Resolution for expulsion or suspension must be carried by a majority of three-fourths of a Committee present at a Meeting specially summoned and consisting of not less than Twelve Members, and must be confirmed by a majority of a Committee present at a subsequent Meeting specially summoned.

19.—The Committee for General Purposes for the time being may, in their absolute discretion, and in such manner as they may think fit, notify or cause to be notified to the public, that any Member has been expelled, or has become a Defaulter, or has been suspended, or has ceased to be a Member, and the name of such Member. No action or other proceeding shall under any circumstances be maintainable by the person referred to in such notification against any person publishing or circulating the same, and this Rule shall operate as leave to any person to publish and circulate such notification, and be pleadable accordingly.

20.—The Committee may dispense with the strict enforcement of any of the Rules or Regulations under the following conditions—

(i) A Resolution for this purpose must be carried by a majority of three-fourths of a Committee present at a Meeting specially summoned and consisting of not less than Twelve Members.

(ii) Except in the case of the matters exempted from confirmation by the first clause of Rule 10, the Resolution must be confirmed by a majority of a Committee present at a subsequent Meeting specially summoned.

Re-elections, Admissions and Re-admissions.

21.—(1) The Committee shall, on the first Monday in March in every year proceed to re-elect

such Members and admit such Candidates, as they shall think proper as Members of The Stock Exchange. Every such re-election or admission shall be for the term of One year only, commencing on the 25th March then instant or last preceding the re-election or admission of any such person.

(2) Such power of re-electing Members and admitting Candidates is hereby declared to be a purely discretionary power, exercisable (and it shall be exercised) by the Committee in a perfectly uncontrollable manner for the benefit of The Stock Exchange as a body (including both Proprietors and Members), and the decision of the Committee in any case or number of cases shall not be liable to be disputed or challenged by any individual affected thereby. The Committee shall be under no obligation to give to any applicant for re-election or admission any notice of the grounds or reasons upon or for which the Committee are proposing to act in his case, and the Committee shall not disclose or state to any person whose application they have rejected or to any Court or Tribunal the grounds or reasons of or for such rejection. The decision of the Committee upon any application for re-election or admission shall not be liable to be brought into question before or controlled by and shall not be controlled by any Court or Tribunal.

(3) A Candidate for admission as a Member of The Stock Exchange who has been a foreign subject shall be ineligible for admission until he has been resident within the British Dominions for Ten years and has been naturalised within such Dominions for a period of Five years next preceding the date of his application.

(4) A person of German, Austrian, Hungarian, Bulgarian or Turkish birth shall be deemed ineligible to be a member of The Stock Exchange, and accordingly shall not in the case of a Candidate be admitted or in the case of a Member or former Member be re-elected as a Member. Nevertheless in any case of an application for re-election by any Member or former Member (being a person of such birth as aforesaid) if the Committee on consideration of the circumstances affecting the individual applicant shall in their uncontrolled and uncontrollable discretion think proper so to do they may re-elect such Member or former Member to be a Member of the Stock Exchange, in which case such person shall be deemed eligible to be such a Member.

(5) A Member re-elected, admitted or re-admitted shall become liable for the amount of Subscription and Fees fixed by the Trustees and Managers.

22—Every Member or Applicant for Re-election, Admission or Re-admission shall declare whether he proposes to act as a Broker, Dealer or Clerk, or that he is not engaged in active business, and no Member shall alter his status from Broker to Dealer or from Dealer to Broker without first giving one month's notice to the Committee, which notice shall forthwith be posted in the House.

23—(1) A Member desirous of being re-elected shall in each year address to the Secretary a letter, of the approved Form.

(2) Each Member of a partnership is required to sign a separate letter.

24—(1) A Member who is not desirous of being re-elected in any year shall notify to the Secretary his intention not to apply for Re-election. Notwithstanding this Notice he may apply at any time during the current Stock Exchange year, provided he has not exercised his right of nomination or become ineligible under Rules 30 or 31.

(2) A Member in his sureties availing himself of this Rule shall be required to obtain the written consent of his sureties to an extension of their liability equivalent to the unexpired period.

25—(1) A former Member who has discontinued his subscription for One year under Rule 24, and who has not exercised his right of nomination or become ineligible under Rules 30 or 31 may apply for Re-election, with two recommenders without security, such recommenders being qualified as laid down in the first clause of Rule 34.

(2) A Notice of such application shall be posted in The Stock Exchange for at least Eight days before its submission to the Committee.

(3) A former Member availing himself of this Rule while in his sureties shall be required to obtain the written consent of his sureties to an extension of their liability equivalent to the unexpired period.

26—(1) A Candidate for admission, except Candidates under Rule 28, shall be required to obtain the nomination of a Member willing to retire in his favour, or of a former Member, or of the legal personal representatives of a deceased Member. The nomination shall be on one of the forms approved, which shall only be issued on receipt of a written application signed by the nominator and containing the full name of the nominee.

(2) A Candidate nominated by an existing Member shall not be balloted for until the resignation of the nominating Member has been accepted by the Committee.

(3) Nominations by other than existing Members must be executed and lodged with the Secretary within Twelve months of the death or resignation of the Member, or in the event of his discontinuing his subscription, within the current Stock Exchange year. If not so exercised, the right of nomination shall lapse.

(4) A nominee must be eligible under these Rules, and, if a Clerk applying for Admission with Two sureties, must have completed the service required by clause 2 of Rule 32 before the expiry of the right of nomination.

(5) If a nominee be rejected, a further nomination may be lodged within the prescribed period.

(6) In the case of a deceased Member, the probate of the will or letters of administration must be exhibited to the Secretary before the issue of the nomination form.

27—(1) The right of nomination shall be personal and non-transferable.

(2) The right of nomination shall not be exercised by a Defaulter, by a person who is expelled, or who ceases to be a Member under Rules 29 or 161 or in consequence of his failing to acquire or hold the share or shares required by Rules 39 or 42, or by any person ceasing to be a Member whilst under suspension.

(3) The right of nomination shall not be exercised by a Member who is, after the 24th March, 1911, re-elected with two Recommenders under Rule 25, or re-admitted under Rules 40 or 49, within Four years of his re-election or re-admission, but, in the event of the decease of such Member prior to such time, his legal personal representatives may exercise the right of nomination.

(4) A Member admitted without nomination shall not exercise the right of nomination until after the term of the liability of his sureties shall have expired by effluxion of time, but, in the event

of the decease of such Member prior to such time, his legal personal representatives may exercise the right of nomination

(5) A Defaulter shall not be required to obtain a nomination before re-admission.

28.—(1) The Committee shall, at a Special Meeting held in December of every year, fix the number of admissions for the year commencing the 25th March following, to be open to Candidates with Two recommenders without nomination. The Resolution fixing the number of Candidates to be so admitted shall not be valid or put in force until confirmed

(2) A Clerk having completed Four years' service in The Stock Exchange or the Settling Room in accordance with clause 2 of Rule 32, may apply to be placed on the waiting list of Candidates for election without nomination

(3) The names of Clerks so applying shall be placed upon the waiting list in the order of application, and the list shall be posted in The Stock Exchange in December of each year.

(4) Those within the number fixed by the Committee may be balloted for on or after the first Monday in March for the ensuing Stock Exchange year, provided that their application forms duly signed and complete in all respects be lodged with the Secretary at least Eight days before the ballot

(5) A Candidate, within the number fixed by the Committee, who fails to lodge a complete application form within One month from the date of his having the right to do so, shall be placed at the bottom of the waiting list, and the next in order of priority shall be entitled to lodge an application form

(6) A Candidate, whose name has been so placed at the bottom of the waiting list, shall be altogether removed from that list if he fail to apply for Membership when he next has the right to do so.

(7) The Committee may at any time remove any name from the waiting list.

(8) The name of a Clerk who ceases to have admission to the House or the Settling Room for a period of Six consecutive months, shall be removed from the waiting list

(9) A Candidate, whose name has been removed from the waiting list, and who desires to be re-admitted, must make a special application to the Committee

29.—A Candidate is ineligible, if he be engaged as Principal or Employee in any business other than that of The Stock Exchange, or if his wife be engaged in business, or if he be a member of or subscriber to or be a Shareholder or Debenture holder in any other institution where dealings in Stocks or Shares are carried on, and if, subsequently to his admission, he shall become subject to any one of these objections he shall cease to be a Member, upon Resolution of the Committee to that effect.

30.—A Candidate is ineligible, who has been a bankrupt, or against whom a Receiving Order in Bankruptcy has been made, or who has been proved to be insolvent, or who has compounded with his creditors, unless he shall have paid 20s in the £, and obtained a full discharge.

31.—A Candidate is ineligible, who has more than once been a bankrupt or insolvent, or compounded with his creditors.

32.—(1) A Candidate for admission must be recommended by Three Members of not less than Four years' standing, who have fulfilled all their

engagements and are not indemnified. Each recommender must engage to pay Five hundred pounds to the creditors of the Candidate, in case the latter shall be declared a Defaulter within Four years from the date of his admission.

(2) If the Candidate has served as a Clerk in the House or the Settling Room for Four years, with a minimum service in the House of Three years, previously to the lodging of his complete application form, Two recommenders only shall be required, who must each enter into an engagement as above mentioned but for Three hundred pounds. A Clerk, who previously to his employment in The Stock Exchange shall have been engaged as Principal in any business, shall only be eligible for admission as a Member with Three sureties for Five hundred pounds each

(3) A Notice of each application with the names of the recommenders, shall be posted in The Stock Exchange at least Eight days before the Candidate can be balloted for

33.—A Member recommending a Candidate must be of not less than Four Years' standing, must have fulfilled all his engagements, and must state in writing that he is not and does not expect to be indemnified. He is required to have such personal knowledge of his Candidate, and of his past and present circumstances, as shall satisfy the Committee as to his eligibility.

34.—(1) A Candidate may be recommended by a firm, but not by Two Members of the same firm, nor by a Member who is an Authorised or Unauthorised Clerk, nor by a Member whose Authorised Clerk the Candidate may be, nor by a Member whose sureties are still liable.

(2) A Member shall not be surety for more than Two new Members at the same time, unless he take up an unexpired suretyship, when the limit shall be Three

(3) If a Member enter into partnership with or become Authorised Clerk to one of his sureties, or if any one of his sureties cease to be a Member during his liability, he shall find a new surety for such portion of the time as shall remain unexpired; and until such substitute is provided, the Committee will prohibit his entrance to The Stock Exchange.

35.—A Member, intending to object to the re-election of a Member, the admission of a Candidate or the re-admission of a Defaulter, shall communicate the grounds of his objection to the Committee by letter previously to the re-election or ballot.

36.—The Chairman shall require every Candidate to acknowledge his signature to the form of application, shall ask each of the recommenders of a Candidate the following questions—

(i) Has the applicant ever been a bankrupt, or has he ever compounded with his creditors? and if so, within what time and what amount of dividend has been paid?

(ii) Would you take his cheque for Three thousand pounds in the ordinary way of business?

(iii) Do you consider he may be safely dealt with in securities for the Account? and shall put such further questions as may be deemed necessary.

37.—The election of new Members shall be by ballot and must be carried by a majority of three-fourths in a Committee of not less than Twelve Members.

38.—If an applicant for re-election, admission or re-admission be rejected, he shall not be balloted

for again before the 25th of March then next ensuing.

39—(1) A Member on his election shall, before exercising any of the privileges of Membership, become a proprietor in The Stock Exchange, by acquiring One share in the case of a Member admitted with two sureties, or Three shares in the case of a Member admitted with Three sureties. Should a Member who requires a share qualification fail to obtain the same within Six months, his election shall be cancelled.

(2) The Secretary shall not issue his admission notice to a new Member until it has been reported to him by the Secretary to the Trustees and Managers that the new Member has been duly registered as a proprietor of the required number of shares.

(3) The Secretary shall not issue a re-election notice to a Member re-elected under Rules 24 or 25 who on his admission required a share qualification, until it has been reported to him by the Secretary to the Trustees and Managers that the Member is duly registered as a Proprietor of the required number of shares. Should a Member who requires a share qualification fail to obtain the same within Six months, his re-election shall be cancelled.

(4) A Member who shall transfer the share or shares constituting his qualification shall forthwith cease to exercise any of the privileges of Membership, and shall cease to be a Member, upon Resolution of the Committee to that effect.

40—(1) A notice of every Defaulter, applying for re-admission, shall, at the discretion of the Committee, be posted without recommendation in The Stock Exchange, at least Twenty-one days, and the Committee shall then take the application into consideration, upon the report of a Sub-Committee, appointed according to Rule 43.

(2) After a Defaulter has been re-admitted by ballot, he shall be placed in the first or second class as laid down in Rule 44 and posted accordingly.

(3) A Defaulter may be re-admitted without the above notice in any case where upon the report of the Sub-Committee it is proved that all liabilities have been *bona fide* discharged in full. In such case his name shall be posted as having paid 20s. in the £.

41—Defaulters declared within Four years of their admission as Members, and Defaulters who have been rejected upon Two ballots can only be re-admitted by a majority of three-fourths in a Committee specially summoned, and consisting of not less than Twelve Members.

42—(1) A Defaulter, who shall have been originally admitted a Member after the 23rd November, 1904, and who shall have parted with his share qualification, shall on re-admission, before again exercising any of the privileges of Membership, become a proprietor of One share in The Stock Exchange. Should a Defaulter who requires a share qualification fail to obtain the same within Six months, his re-admission shall be cancelled.

(2) The Secretary shall not issue his re-admission notice to such a Defaulter until it has been reported to him by the Secretary to the Trustees and Managers that the Defaulter has been duly registered as a proprietor of One share.

(3) A Re-admitted Defaulter who shall transfer the share constituting his qualification, shall forthwith cease to exercise any of the privileges of

Membership, and shall cease to be a Member, upon Resolution of the Committee to that effect.

43—(1) Upon any application for re-admission by a Defaulter, a Sub-Committee shall investigate his conduct and accounts; and no further proceedings shall be taken by the Committee with regard to his re-admission, until the Report of such Sub-Committee shall have been submitted, together with a statement as to the Defaulter's estate, signed by himself.

(2) The attention of the Sub-Committee shall be directed,

(i) To ascertain the amount of the greatest balance of securities open at any time during the Account, and at the time of failure; the total amount of his business assets, the current balance at his bankers, and whether the transactions were on his own account, or on account of principals, specifying the amount in each case.

(ii) To ascertain the total amount paid to his estate, specifying the sums collected in The Stock Exchange, those received from principals and those from the Defaulter himself.

(iii) To ascertain the conduct of the Defaulter preceding and subsequent to his failure, and to enquire of the Official Assignees whether any matter, prejudicial or otherwise to the Defaulter's application, has transpired at any meeting of creditors, or has officially come to their knowledge elsewhere.

(iv) To ascertain whether the Defaulter has violated Rule 47.

44—The re-admission of Defaulters shall be in one of two Classes—

The First Class to be for cases of failure arising from the default of principals, or from other circumstances where no bad faith or breach of the Rules and Regulations of The Stock Exchange has been practised, where the operations have been in reasonable proportion to the Defaulter's means or resources, and where his general conduct has been irreproachable.

The Second Class, for cases marked by indiscretion, and by the absence of reasonable caution.

45—A Defaulter shall not be eligible for re-admission who fails to give up the name of any principal indebted to him, or who has not, within Fourteen days from the date of his failure, delivered to the Official Assignees or to his creditors, his original books and accounts, and a statement of the sums owing to, and by him, in The Stock Exchange, at the time of his failure.

46—A Defaulter shall not be eligible for re-admission, who shall not have paid from his own resources, independently of his security-money, at least one-third of the balance of any loss that may occur on his transactions, whether on his own account or that of principals; or who, in the event of his debts being less than the amount which his sureties may be called upon to pay, shall not have refunded to the sureties one-third of the amount paid by them.

47—A Member who issues or retains a Ticket for Securities, whereby loss is incurred or increased, and who shall be declared a Defaulter in that Account, shall not be eligible for re-admission for at least One year from the date of such default, provided it be proved to the satisfaction of the Committee that he knew himself to be insolvent at the time of issuing or retaining the Ticket.

48—The surety of a New Member, who at the time of such Member's admission shall have avowed

that he was not and that he did not expect to be indemnified, and who shall subsequently receive any indemnity, shall in the event of the New Member failing within the time of his liability, be compelled to pay to the creditors any sum so received, in addition to the amount for which he originally became surety.

49—(1) A former Member, not a Defaulter, who shall have ceased to be a Member under Rule 161, or who after ceasing to be a Member from any cause becomes a bankrupt, and who shall have paid 20s. in the £, may apply for re-admission with Two sureties of £300 each.

(2) A notice of such application shall, at the discretion of the Committee, be posted in The Stock Exchange at least Twenty-one days, and the Committee shall after consideration of the report of the Sub-Committee appointed under Rule 43, proceed to ballot for his re-admission.

50—A Member wishing to resign his Membership must forward to the Secretary a letter tendering such resignation, and a copy of this letter shall be posted in The Stock Exchange for at least four weeks before the matter is entertained by the Committee.

Partnerships. 51—(1) In every year, as soon as possible after the 25th March, a list of partnerships shall be made out by the Secretary.

(2) In case of a new, or alteration in an old partnership, the same shall be forthwith communicated to the Committee, and no partnership shall be considered as altered or dissolved until such communication be made.

(3) All notices relative to partnerships must, unless otherwise ordered by a Committee specially summoned for that purpose, be signed by the parties, countersigned by the Secretary and posted in The Stock Exchange.

(4) A Member who shall enter into any contract with another Member for a Loan of money or Securities on terms contingent on or varying with the profits of the business shall be liable as a general partner. Members entering into such contracts shall notify the same as General Partnerships.

52—The failure of a firm dissolves the partnership, and, should the members of such firm, when admitted, desire to renew the partnership, notice thereof must be given to the Committee in the usual way.

53—(1) A Member of The Stock Exchange shall not enter into partnership with any person who is not a Member, and the decision of the Committee as to what constitutes Partnership within the meaning and intention of the Rules shall be final.

(2) A Member shall not borrow money or Securities from a Non-Member on terms that the lender shall receive a rate of interest varying with the profits or shall receive a share of the profits arising from carrying on the borrower's business.

(3) Partnerships between Brokers and Dealers are prohibited.

(4) A Member during the liability of his sureties shall not form a partnership without their consent, communicated in writing to the Committee.

54—(1) Members dealing generally together in any particular Securities and participating in the result, shall be held responsible for the liabilities of each other, not only in the Securities in which they are jointly interested, but also in any other description of Securities in which either of them may transact business, unless they shall have

forwarded a written notice to the Secretary, specifying the particular Securities in which they deal on joint account.

(2) Market Partnerships are only permitted between Members or Firms, who each deal and settle their bargains in their own name.

(3) No Market Partnership shall consist of more than two Members or Firms, nor shall such Partnership be carried on in any other Markets than those in which both parties are dealing.

(4) All Market Partnerships must be notified to the Secretary and posted in The Stock Exchange.

Clerks. 55—(1) A Member desirous of obtaining the admission of an Authorised, Unauthorised or Settling Room Clerk, shall apply for the permission of the Committee on one of the approved forms.

(2) A Member who has any arrangement for the sharing of a Commission with another Member shall apply for his admission as a Clerk on the approved form.

56—(1) A Member may be permitted to introduce Three Clerks to the House, One of whom may be Authorised, also Two Settling Room Clerks.

(2) A Firm may be permitted to introduce Five Clerks to the House, Two of whom may be Authorised, also Four Settling Room Clerks.

(3) Members may be employed as Unauthorised Clerks in excess of the numbers above allowed; and Members may be employed as Authorised Clerks in excess of the numbers above allowed, with a limit of One for an individual Member or Two for a firm.

57—A Member desirous of employing a temporary Clerk in lieu of a Clerk absent at Territorial Training shall apply on one of the approved Forms, subject to the Regulations printed thereon.

58—A Member renting a seat in the Decoding Room shall apply for permission to register a Clerk on the approved Form, subject to the Regulations printed thereon.

59—A Member employed as Clerk, whether Authorised or Unauthorised, shall not make any bargain in his own name.

60—A Member who was acting as Clerk to a Defaulter at the time of default, to a person who has ceased to be a Member by expulsion or under Rule 161, or to a Member under suspension, shall not make any bargain in his own name, nor shall he be admitted as Authorised Clerk to another Member until he has obtained the permission of a Committee specially summoned for that purpose.

61—A Member applying for the admission of a Clerk must satisfy the Committee—

(i) That the Clerk is of the requisite age, i.e., for an Authorised Clerk 21, for an Unauthorised or Settling Room Clerk 16, and would be in all other respects eligible for admission as a Member.

(ii) That he has obtained a Satisfactory Reference from the Clerk's last employer.

(iii) That he has a sufficient knowledge of the Clerk's previous career.

62—(1) A Member may apply for the admission of a Defaulter as his Clerk, either Authorised or Unauthorised, or to the Settling Room, though the Defaulter may not have complied with Rule 46.

(2) A notice of such application shall be posted in the Stock Exchange for at least Twenty-one days, and the Committee shall then take the application into consideration upon the report of the Sub-Committee appointed according to Rule 43.

(3) A resolution allowing such application must

be carried by a majority of three-fourths of those present

(4) The foregoing procedure shall not apply in the case of a Defaulter who has previously been re-admitted as a Clerk.

63.—When application is made for the admission as a Clerk of a person who has previously been engaged in business out of The Stock Exchange, the name and address of such person, together with the name of the Member applying for his admission, shall be posted in The Stock Exchange Eight days prior to the application being considered by the Committee.

64.—(1) A Clerk shall not be authorised to transact business until he has been admitted to the House or the Settling Room for Two years, with a minimum service in the House of One year.

(2) A Member, the liability of whose sureties is unexpired, must obtain their consent in writing before applying for the admission of an Authorised Clerk.

(3) A list of Authorised Clerks, distinguishing those who are also Members, and the names of their employers shall be posted in The Stock Exchange.

(4) The Authorised Clerk of a Dealer shall not transact business in any Market other than that in which his employer deals

(5) A Member authorising a Clerk to transact business shall not be held answerable for money borrowed by the Clerk, without security, unless he shall have given special authority for that purpose.

65.—An Unauthorised or Settling Room Clerk, not being a member, shall wear a distinctive Badge in the lapel of his coat, and his employer shall be responsible for the Badge being worn in accordance with the Regulations laid down.

66.—A Clerk shall not enter the House or the Settling Room, nor shall an Authorised Clerk do a bargain, until his employer shall have received from the Secretary notice of his admission or authorisation

67.—A Member parting with a Clerk or withdrawing his authorisation, shall give notice in writing to the Secretary, who shall forthwith communicate the same to The Stock Exchange in the usual manner.

68.—(1) Clerks of Defaulters are excluded from The Stock Exchange.

(2) Clerks of deceased Members may, by permission of Two Members of the Committee, enter the House for the purpose of adjusting unsettled accounts.

68a.—No Member shall, without the special permission of the Committee, take into, or continue in, his employment, in any capacity in any business carried on by him as a Member, any person of German, Austrian, Hungarian, Bulgarian or Turkish birth, or any former Member who has been expelled, or who has applied for re-election and has been rejected.

General Rules. 69.—The Stock Exchange does not recognise in its dealings any other parties than its own Members: every bargain therefore, whether for account of the Member effecting it, or for account of a principal, must be fulfilled according to the Rules, Regulations and usages of The Stock Exchange.

70.—An application which has for its object to annul any bargain in The Stock Exchange shall not be entertained by the Committee, except upon

a specific allegation of fraud or wilful misrepresentation or upon *prima facie* evidence of such material mistake in the bargain as in their judgment renders the case one which is fitting for their adjudication.

71.—(1) All disputes between Members, not affecting the general interests of The Stock Exchange shall be referred to the arbitration of a Member or Members of The Stock Exchange; and the Committee will not take into consideration such disputes, unless arbitrators cannot be found, or are unable to come to a decision

(2) The decision of the Committee as to whether a dispute affects the general interests and, if so, how it shall be dealt with shall be final.

(3) A Member shall not without the consent of the Committee attempt to enforce by law any claim arising out of such dispute

72.—The Committee have power to intervene in cases where the principal of a Member shall attempt to enforce by law a claim against another Member, which is not in accordance with the Rules, Regulations and usages of The Stock Exchange, and will deal with such cases as the circumstances may require

73.—If a Non-Member shall make any complaint against a Member, the Committee shall in the first place consider whether the complaint is fitting for their adjudication, and in the event of their deciding in the affirmative, the Non-Member shall, previously to the case being heard by the Committee, sign the Form of Reference

74.—A Member of the Stock Exchange is not allowed to advertise for business purposes or to issue Circulars or business communications to persons other than his own Principals

74a.—(1) All members shall, until further order of the Committee, state on all Correspondence relating to the transaction of business on The Stock Exchange and Contract Notes—

(i) The name of their firm, if any;

(ii) The names of all the partners therein; and

(iii) Where the name of the Member or any partner of foreign birth has been changed since the commencement of the European War, his original name in brackets after his new name

(2) The Committee may refuse to allow a Member or Firm to carry on business under a name which they consider misleading

75.—A Broker issuing a contract note shall use such a form as will provide that the words "Member of The Stock Exchange, London," shall immediately follow the signature

76.—A Member shall not transact speculative business directly or indirectly for or with an Official or Clerk in any public or private establishment, without the knowledge of his employer.

77.—A Member shall not do a private bargain with an individual member of a firm in The Stock Exchange, such bargain being wilfully concealed from the firm

78.—A Member or Authorised Clerk shall not do a bargain with a Clerk, whether a Member or not, for account of such Clerk

79.—A Member shall not transact business for a principal who, to his knowledge is in default to another Member, unless such principal shall have made a satisfactory arrangement with his creditors.

80.—No Member or Authorised Clerk shall carry on business in the double capacity of Broker and Dealer.

81.—A Broker shall not make prices or otherwise carry on the business of a Dealer. He shall not

carry on Shunting business; nor shall he carry on Arbitrage business except as authorised under Rule 86

82—(1) A Broker shall not receive brokerage from more than one principal on a transaction carried through directly between two Principals, and each contract note shall state that the bargain has been done between Non-Members

(2) Subject to the provisions of Rule 190(4), Brokerage shall be charged to the Non-Member who initiated the business

(3) When a Broker receives an order from one Principal to buy and from another to sell the same security and executes the two orders simultaneously with the same Dealer, the prices agreed upon must be such as at the time of dealing are believed to be fair to both Principals

(4) A Broker may not put business through for another Broker

83—A Broker shall not execute an order with a Non-Member, unless thereby he can deal for his Principal to greater advantage than with a Member. In such a case he shall not receive brokerage from such Non-Member, and each contract note shall state that the bargain has been done between Non-Members. Business which in fact comes under the conditions of this rule shall not be put through a Dealer's book, nor shall any other procedure be adopted in order to bring such business under the provisions of Rule 82

84—A Broker shall not share Commission with a Clerk to a Dealer.

85—A Dealer shall not deal for or with a Non-Member. He shall not carry on Shunting business, nor shall he carry on Arbitrage business except as authorised under Rule 86

86—Subject to annual authorisation by the Committee, a Member, whether Broker or Dealer, may carry on Arbitrage business outside the United Kingdom with a Non-Member, but a Broker so authorised shall not make prices or otherwise carry on the business of a Dealer, and a Dealer so authorised shall not act as an agent by executing orders for such Non-Member.

87—A Member shall not deal in prospective dividends

88—The Stock Exchange will, unless otherwise ordered by the Committee, be closed on the following days, viz—

1st January,
1st May,
1st November,
and on all Bank Holidays

When the 1st January, 1st May, or 1st November falls on a Sunday, the House will be closed on the day following

Bargains and the Settlement of Accounts. 89

—The Committee shall at their first meeting in each month fix the Account-days for the Second succeeding month

The Consols Settlement shall be Monthly and shall consist of

The Contango-day,
The Making-up Day,
The Account-day

The Ordinary Settlement shall be Fortnightly and shall consist of

The Mining Contango-day,
The General Contango-day,
The Ticket-day,
The Account-day.

Should the Account be so fixed that the Mining Contango-day would in the ordinary course fall on a Saturday, the Mining Contango-day shall be the preceding business day.

90—In case the payment of an instalment on Scrip falls on an Account-day, the settlement of such Scrip shall take place the day previous to the payment.

91—(1) When no time is specified, Bargains are for the current Account, but those made on the Mining or General Contango-days respectively are for the ensuing Account

(2) When no time is specified, Bargains in New Securities, for which a Special Settlement has not been appointed, are for the Special Settlement

92—An offer to buy or sell an amount of Stock, Bonds or Shares at a price named, is binding as to any part thereof that may be a marketable quantity; and an offer to buy or sell Stock, Bonds or Shares when no amount is named, is binding to the amount of—

£1,000 Stock or Bonds or the equivalent in Foreign Currency.

100 Shares of a market value of less than £1.

50 " " " " " £1 to £15.

10 " " " " " " over £15.

100 American Dollar Shares

93—On the Account-day, and on the day following, the delivery of Securities shall commence at Ten o'clock.

94—(1) Cheques must be crossed and drawn to Bearer, with the exception of cheques for Dividends which may be drawn to order

(2) Cheques must be passed through the Clearing House, unless the Drawer consent to their being otherwise presented

(3) If a Member require Bank Notes in payment for Securities sold, without having made such stipulation at the time of making the bargain, he must give notice to his Buyer to that effect before Half-past Eleven o'clock on the day of delivery, and payment shall be made upon delivery of the Securities, or the Stock receipt.

(4) A Member cannot demand Bank Notes in payment of Differences

95—A Member shall not be obliged to take a reference for payment to a Non-Member; nor shall he be obliged to pay a Non-Member for Securities bought in The Stock Exchange.

96—A Seller has the right to demand payment for Securities from the Member who passed him the Ticket, and in case the Seller apply to the issuer of the Ticket, and fail to obtain payment, or receive a cheque which is dishonoured, the Member from whom he received the Ticket shall make immediate payment

97—A lender is not entitled to place beyond his control Securities received as security for a Loan, and may, after reasonable notice, and upon payment of the principal together with interest up to the time for which the Loan was originally made, be required to return the identical Bonds, or to re-transfer the Securities given as security for such Loan. This liability does not apply to a Member who has taken in Securities upon continuation.

98—Continuations are Bargains and not Loans; they must be effected at the Making-up price, or at the then existing Market Price

99—(1) The Clerk of the House shall fix the Making-up Prices of all Securities, by taking the actual Market Price at Half-past Eleven o'clock

on each of the Two days preceding the Account-day and in the case of Securities dealt in in the Mining Markets on the Mining Contango-day also

(2) No Making-up shall be binding unless at the official making-up price or where none is fixed at the then existing Market Price

(3) In case of dispute as to the Making-up Price, or of any omission in fixing the same, the Clerk of the House shall act upon the decision of Two Members of the Committee

(4) The Making-up Prices so fixed shall be published in The Stock Exchange Official List of Making-up Prices under the authority of the Committee and subject to the Regulations

100 —(1) The time for the Declaration of Options is a Quarter before Three, or on Saturday a Quarter before One, on the day before the Contango-day for the Securities in question

(2) If the day for the Declaration of Options should be one on which The Stock Exchange is closed, they shall be declared on the preceding business day.

(3) In the case of Options done for and declared on the Contango-day the bargains, both for the firm stock and the Option stock shall be for settlement on the Settling-day of the following Account

101 —(1) Government and Corporation Securities, Inscribed or Registered Certificates or Bonds shall be quoted ex-dividend on the day after that on which the Books close for the payment of the dividend

(2) Securities deliverable by Deed of Transfer, except Securities dealt in in the Mining, Oil, and Rubber Markets, and Registered Debentures, shall be quoted ex-dividend on the Account day following the date of the closing of the books for the payment of the dividend, or on the Account-day following the date on which the dividend may have been declared, provided the dividend be made payable to the holders then registered

(3) Securities dealt in in the Mining, Oil, and Rubber Markets shall be quoted ex-dividend on the Account-day following the payment of the dividend

(4) Securities to Bearer and Registered Debentures shall be quoted ex-dividend on the day when the dividend is payable, but Securities to Bearer with Coupons payable only abroad may be quoted ex-dividend on the Account-day which shall allow the necessary time for the transmission of the Coupon for collection

(5) American Shares shall be quoted ex-dividend on the sixth day before the day on which the Books close for the payment of the dividend

102 —In the settlement of all bargains, dividends are to be accounted for at the net amount receivable after deduction of Income Tax.

103 —The Buyer of Securities for Special Settlement is entitled to all dividends and Option Rights to allottees accruing thereon up to the date fixed for the Settlement

104 —(1) Bargains must be settled in Securities which have not been drawn

(2) In case of the erroneous delivery of any Drawn Securities, the Buyer, on receipt of Undrawn Securities, and on allowance being made for any drawing or dividend of which he may have lost the benefit, shall deliver such Securities back to the person who held them at the time of the drawing, or shall pay to him any proceeds received from such drawing, provided the said Securities or the proceeds thereof be traced to, and remain in the

possession and under the control of such Buyer, all intermediate Members being released from liability.

(3) No claim by the Seller in respect of the erroneous delivery of Drawn Securities will be entertained by the Committee unless made within Nine calendar months.

105 —(1) The Buyer is entitled to new Securities issued in right of old, provided that he specially claim the same in writing from the Seller not later than Four o'clock, or One o'clock on Saturday, on the day preceding the latest day fixed for the receipt of applications in London

(2) Notwithstanding the provisions of the above Clause, the Seller if he be in possession of the new Securities shall be responsible to the Buyer for the same, although claimed by him later than Four o'clock on the above-named day and should he not be in possession of the new Securities he is bound to render every assistance to the Buyer in tracing the same

(3) When practicable, claims are to be settled by Letters of Renunciation. A Member shall not be required to accept Letters of Renunciation after Half-past Two, or Twelve o'clock on Saturday, on the latest day fixed for the receipt of applications in London.

(4) Where Letters of Renunciation are not issued, all payments as and when required by the Company are to be advanced to the Seller by the Buyer, who may demand a receipt for the same, such payments being for Securities to be delivered at the Special Settlement

(5) If the new Securities cannot be obtained by Letters of Renunciation, the Secretary of the Share and Loan Department, subject to the approval of the Chairman or Deputy-Chairman or Two Members of the Committee, shall fix a price at which the new Securities may be temporarily settled, which may be deducted by the Buyer from the purchase money of the old Securities until the Special Settlement.

106 —(1) When Securities on which Options are open are quoted "Ex Rights" an official price will on application to the Secretary of the Share and Loan Department be fixed for the Rights

(2) All Rights in respect of Options shall be settled by the allowance of such valuation in the Option price, unless the Member who has given for the call or taken for the put shall give notice in writing on or before the day the Securities are quoted "Ex Rights," that he will claim the new Securities and accept delivery if the Option is exercised

Government and Corporation Inscribed or Registered Stocks, etc. 107 —(1) If the Seller of Inscribed Stock for Cash shall not receive from the Buyer a Ticket by Twenty minutes past Eleven o'clock, he may demand such transfer fee as he may have paid for the actual transfer of the Stock.

(2) On the Consols Account Day, if the Ticket is not received by a Quarter past Eleven o'clock, the Seller may claim from the Buyer Two Shillings and Sixpence for every £1,000 Stock Tickets passed on must be for £1,000 Stock or multiples of £1,000

108 —The Buyer of Inscribed Stocks for the Ordinary Account must issue Tickets before Two o'clock on the Ticket-day.

109 —(1) Stock receipts must be delivered by Half-past Two o'clock, or Half-past Twelve on Saturdays.

(2) If a deliverer elect under Rule 96 to deliver a Stock receipt to the Member with whom he has dealt, such Member not being the issuer of the Ticket, he shall deliver such receipt by a Quarter-past Two o'clock, or a Quarter-past Twelve on Saturday.

(3) English Government Securities transferable by Deed, and English and India Government and Corporation Securities to Bearer must be delivered before a Quarter past Two o'clock, or before Twelve o'clock on Saturday.

110—The Buyer of Bank Stock may require, at the Seller's expense, as many transfers as there are even thousand pounds Stock in the sum dealt in.

111—Bargains in Exchange Bonds and in Stock Certificates are for Bonds and Stock Certificates not filled up to order.

Securities Deliverable by Deed of Transfer.

112—(1) The Seller of Securities is responsible for the genuineness and regularity of all documents delivered.

(2) When an Official Certificate of registration of such Securities has been issued, the Committee will not, unless bad faith is alleged against the Seller, take cognisance of any subsequent dispute as to title, until the legal issue has been decided, the reasonable expenses of which legal proceedings shall be borne by the Seller.

(3) The Seller is responsible for such dividends as may be received unless an unreasonable time has been taken for the transferee to execute and lodge the documents for registration.

113—The Committee will not, except under special circumstances, interfere in any question arising from the delivery of Securities by transfer in blank.

114—(1) The Buyer, who takes up Securities deliverable by deed of transfer, shall before Twelve o'clock on the Ticket-day, or in the case of Securities dealt in in the Mining Markets before Two o'clock on the preceding day, issue a Ticket, with his name as payer of the purchase-money, which Ticket shall contain the amount and denomination of the Security to be transferred, the name, address and description of the transferee in full, the price, the date and the name of the Member to whom the Ticket is issued. Each intermediate Seller, in succession, to whom such Ticket shall be passed, shall endorse thereon the name of his Seller.

(2) All Tickets representing Securities which, at the time, are subject to arrangement by the Settlement Department, and all Tickets representing Securities dealt in in the Mining Markets which are included in The Stock Exchange Official List of Making-up Prices shall be passed through the accounts at the Making-up Price of the Contango-day, and the Securities paid for at that price, but the consideration money in the deed must be at the price on the Ticket.

(3) The passing of Tickets shall commence at Ten o'clock.

(4) Tickets may be left at the office of the Seller up to Twelve o'clock on Ticket-days, and for Securities dealt in in the Mining Markets up to Two o'clock on the General Contango-day. After these hours all Tickets must be passed in the Settling Room.

(5) Tickets may be placed in the Boxes in the Settling Room up to Eleven o'clock on the Account Day.

(6) Tickets may be issued and passed on the day before the Ticket-day, but the buying-in upon

Tickets so issued shall not* be allowed until the Eleventh Day after the Ticket-day.

(7) A Member receiving a Ticket from the issuer after Twelve o'clock on the Ticket-day, or for Securities dealt in in the Mining Markets after Two o'clock on the General Contango-day, shall note the fact on the back of the Ticket; and a Member receiving a Ticket after Three o'clock on the Ticket-day, or for Securities dealt in in the Mining Markets after Six o'clock on the General Contango-day, or at any time on any subsequent day, shall mark the date and exact time at which such Ticket is received.

(8) It is also required that the holder of a Ticket at

One o'clock,
Half-past One,
Two o'clock

and Half-past Two on the Ticket-day, or for Securities dealt in in the Mining Markets at Two o'clock and at every half-hour up to Half-past Five on the General Contango-day, shall endorse such times on the back of the Ticket.

(9) Members omitting to note the times thus fixed may become liable for losses occasioned by Selling-out in case undue delay is proved under the provisions of Rule 145.

115—(1) A Member splitting a Ticket shall retain the original Ticket, and, should he fail to do so, he will be required to trace it in case of Selling-out.

(2) Split Tickets must bear the name of the issuer of the original Ticket and must state by whom the Ticket is split.

(3) A Member splitting a Ticket shall pay any increased expense caused by such splitting.

(4) A claim for loss on a Split Ticket shall not be valid unless made by the original Claimant within Three Months after the date of the Ticket, but the Member splitting the Ticket shall be liable to intermediate Claimants for a period of Four Months.

(5) The liability of Members to the Settlement Department for losses on Split Tickets collected by the Department shall extend for a period of Six Months from the date of the Ticket.

116.—A Member not refusing an Antedated Ticket, when tendered as such, takes it with all its liabilities, but if it be passed as an ordinary Ticket, the liabilities remain with the Member putting such Ticket again into circulation. A Member holding an undated Ticket shall not be liable for any loss arising from the Securities having been bought in, unless such Ticket has been Seven days in his possession.

117—A Member who makes an alteration in, or improperly detains a Ticket, shall make good any loss that may occur thereby.

118—(1) The deliverer shall cause the Securities to be transferred at the price marked upon the Ticket.

(2) A Member shall not be compelled to take a Ticket at a price not current in the Market during the Account, unless the bargain represented by such Ticket shall have been made within the Two preceding Accounts.

119—The deliverer may, previous to delivery, pay any call made on registered Securities, although not due, and claim the amount of the issuer of the Ticket.

120—(1) The Buyer of Securities shall pay the *ad valorem* stamp duty and also the transfer registration fee in cases where it has been paid in advance by the Seller.

(2) In the case of a Loan, the borrower shall pay the nominal consideration stamp, the registration fee and the mortgage stamp

121—(1) The Buyer of Securities may refuse to pay for a transfer deed unaccompanied by the Certificate, unless it be officially certified thereon that the Certificate is at the office of the company. But if the transfer deed be perfect in all other respects, the Securities must not be bought in until reasonable time has been allowed to the Seller to obtain the certification required

(2) If the Seller have a larger Certificate than the amount of Stock conveyed, or only one Certificate representing Stock conveyed by two or more transfer deeds, the Certificate may be deposited with the Secretary of the Share and Loan Department of The Stock Exchange, who shall forward it to the office of the company, and certify to that effect on the transfer deeds, which shall then be a valid delivery. No person is to look to the Managers or Committee of The Stock Exchange, as being liable for the due or accurate performance of those duties, the Managers and Committee holding themselves, and being held, entirely irresponsible in respect of the execution, or of any mis-execution, or non-execution, of the duties in question

122—On the morning of the Account-day all unsettled bargains shall be brought down and temporarily adjusted at the Making-up price of the Ticket-day, but bargains in Securities subject to arrangement by the Settlement Department and in those Securities dealt in in the Mining Markets which are included in the 'Stock Exchange Official List of Making-up Prices' shall be brought down and temporarily adjusted at the Making-up price of the Contango-day for the Securities in question.

123—(1) A Member shall not be required to pay for Securities presented after a Quarter before Two o'clock, or after Twelve o'clock on Saturday

(2) If a deliverer elect to settle with his immediate Buyer, under the provisions of Rule 96, he shall deliver his Securities before Half-past Twelve o'clock, or Eleven o'clock on Saturday, but Intermediaries on the trace are bound to pay their sellers up to One o'clock, or Half-past Eleven on Saturday

124—The Buyer is entitled to deduct the dividend when paying for Securities on which the dividend has been declared and in respect of which the Transfer Books are closed at the date of delivery

124a—In cases where dividends are declared payable in a foreign currency the Secretary of the Share and Loan Department shall fix a price for the dividend in Sterling money, which shall be posted in The Stock Exchange, and the dividend shall be accounted for at such price

Securities: Passing by Delivery. 125—(1) The Seller is responsible for the genuineness of the Securities delivered, and in case of his death, failure or retirement from The Stock Exchange, such responsibility shall attach to each Member in succession, through whose hands the Securities, or the Ticket representing such Securities, shall have passed

(2) The deliverer of Securities on Tickets is required to apportion such Securities to each Ticket at the time of delivery, and the taker of Securities, in order to secure his right under this Rule, shall keep such Tickets and the numbers of the Securities to which they were respectively

apportioned, or, in the case of Settlement Department Tickets, the numbers of such Tickets.

126—(1) A Bond or Certificate is to be considered perfect, unless it be much torn or damaged, or a material part of the wording be obliterated. The Committee will not take cognisance of any complaint in respect of a Bond or Certificate alleged to have been delivered in a damaged condition, or deficient in or with irregular Coupons, should such Bond or Certificate be detained by the Buyer more than Eight days after the delivery, unless it can be proved that the Member passing it was aware of its being imperfect

(2) The Committee will not take cognisance of any complaint in respect of the irregularity in the endorsement of an American Share Certificate, should such certificate be detained by the Buyer more than Three months after delivery, unless it can be proved that the Member passing it was aware of the irregularity

127—(1) A Member shall not be required to accept the delivery of a Certificate of American Shares representing a larger number than—

50 Shares up to and including \$25 each,

20 „ \$50 each,

10 „ any other denomination,

nor an American Bond of a larger amount than \$1,000

(2) Smaller Certificates or Bonds must be of such denomination as to be deliverable in the above amounts

128—(1) On the Ticket-day between Ten and One o'clock, Tickets shall be passed at the Making-up price of the Contango-day

(2) Tickets shall not be issued later than Half-past Twelve on the Ticket day

(3) Tickets must bear distinctive numbers and be for the following amounts, viz—

£1,000 Stock, or multiples of £1,000, up to £5,000 or the equivalent in Foreign Currency.

10 Shares, or multiples thereof, up to 100.

Tickets for £500 Stock may be passed for bargains or balances of that amount

Smaller amounts must be settled without Tickets.

(4) Tickets shall not be split, except in the Settlement Department

(5) A Member is required to indorse on the Ticket the name of the Member to whom it is passed.

(6) Sellers shall accept Tickets, but if a deliverer elect to settle with his immediate Buyer, under the provisions of Rule 96, he shall deliver his Securities before Half-past Twelve o'clock, or Eleven o'clock on Saturday. Intermediaries on the trace are bound to pay their Sellers up to One o'clock, or Half-past Eleven on Saturday

(7) The holder of a Ticket, who shall allow Two clear days to elapse without delivering the Securities, releases his Buyer from any loss in consequence of the declaration of any Member as a Defaulter.

129—Bargains in Bonds and Debentures include the accrued interest in the price, except in the case of British and Colonial Treasury and Exchange Bonds or Bills, Rupee Paper, Indian Railway Debentures, and certain Securities of a like character which are dealt in so that the accrued interest up to the day for which the Bargain is done is paid by the Buyer.

130—(1) Securities are not deliverable on the Account-day without the current Coupon.

(2) Those marked ex-Coupon on the Account-day shall be delivered without the Coupon, except such

Securities with Coupons payable only abroad as are quoted ex-dividend before the due date of the Coupon under Rule 101, which shall be delivered ex-Coupon at the succeeding account.

(3) When the dividend is payable after the Account-day, outstanding bargains shall be settled with the current Coupon, otherwise the buyer shall have the right to demand the market value of the Coupon unless he shall have waived his right to this privilege by neglecting to attempt to buy-in the Bonds.

(4) In the case of dividends payable only abroad, the Secretary to the Share and Loan Department shall fix a price for the Coupons in sterling money, which shall be posted in The Stock Exchange, and the dividend shall be accounted for at such price.

131—Eleven clear days between delivery and the closing of the Books of the Company shall be allowed by the Seller to the Buyer of "American" Shares, in order to afford time for transmission of the Certificates to offices at or east of Chicago.

132—On the Account-day, all unsettled bargains shall be brought down and temporarily adjusted at the Making-up price of the Ticket-day.

133—(1) A Member shall not be required to pay for Securities presented after a Quarter before Two o'clock or after Twelve o'clock on Saturday. On the Account-day the holder of a Ticket must deliver before One o'clock.

(2) The Buyer shall pay for such portion of Securities as may be delivered within the prescribed time.

Buying-in and Selling-out. 134—Buying-in or Selling-out must be effected publicly by the officials of the Buying-in and Selling-out Department appointed by the Committee for General Purposes, who shall trace the transaction to the responsible Member and claim the difference thereon.

135—The Committee may suspend the Buying-in of Securities, when circumstances appear to them to make such suspension desirable in the general interest. The liability of intermediaries shall continue during such suspension, unless otherwise determined by the Committee.

136—Securities shall not be bought-in while they are known to be out of the control of the Seller for the payment of calls, or the receipt of interest, dividends or bonus.

137—Inscribed Stock, not subject to an *ad valorem* Stamp Duty, bought for a specified day and not then delivered, may be bought-in without notice on the following day at Eleven o'clock, and the Member causing the default shall pay any loss incurred.

138—(1) If Securities deliverable by Deed of Transfer or Inscribed Stock subject to an *ad valorem* Stamp duty are not delivered within Ten Days, the issuer of the Ticket may buy-in the same against the Seller on the Eleventh day after the Ticket-day, or on any subsequent day.

(2) In the case of Companies which prepare their own transfers, Securities may be bought-in on the Eleventh day after the earliest date on which a transfer can be procured, or on any subsequent day.

(3) One hour's public notice of such Buying-in must be posted in The Stock Exchange, except on Saturday when a notice of three-quarters of an hour only is necessary, the notice to be posted not later than Half-past Twelve o'clock, or Half-past Eleven o'clock on Saturday.

(4) Buying-in shall take place between Half-past

One and Three o'clock, and on Saturday between a Quarter-past Twelve and One o'clock.

(5) The name into which the Securities are to be transferred must be stated in the order to buy-in if required by the Manager of the Buying-in and Selling-out Department.

(6) The loss occasioned by such Buying-in shall be borne by the ultimate Seller, unless he can prove that there has been undue delay in the passing of the Ticket on the part of any Member, who shall in that case be liable.

(7) Securities bought for any day except the Account-day and not delivered by Half-past Two, or Twelve o'clock on Saturday, may be bought-in on the following or any subsequent day without notice, and any loss occasioned by such Buying-in shall be borne by the Seller.

(8) Securities bought-in and not delivered by One o'clock on the following day, or by Twelve o'clock on Saturday, may be again bought-in for immediate delivery without further notice, and any loss shall be paid by the Member causing such further Buying-in.

139—(1) The issuer of a Ticket who shall allow Two clear days from the Buying-in day to elapse without Buying-in or attempting to buy-in the Securities shall release his Seller from all liability in respect of the non-delivery of the Securities, unless he shall have waived his right to buy-in at the request, or with the consent of his Seller, and the holder of the Ticket shall alone remain responsible to such issuer for the delivery of the Securities.

(2) In the case of Companies which prepare their own transfers the intermediate Seller shall be released Thirteen clear days after the earliest day on which a transfer can be procured.

(3) The liability of issuers and holders of Tickets is not affected by the fact that intermediaries have been released by lapse of time.

140—(1) Securities passing by delivery which have been bought for the Account-day and are not delivered by Half-past Two o'clock may be bought-in on the following, or any subsequent day, and any loss occasioned by such Buying-in shall be borne by the Seller.

(2) One hour's public notice of such buying-in must be posted in The Stock Exchange, except on Saturday, when a notice of Three-quarters of an hour only shall be necessary, the notice to be posted not later than Half-past Twelve o'clock, or Half-past Eleven o'clock on Saturday.

(3) If such Securities are bought for any day except the Account-day and not delivered by Half-past Two o'clock, or by Twelve o'clock on Saturday, they may be bought-in on the same, or any subsequent day without notice, and any loss occasioned by such Buying-in shall be borne by the Seller.

(4) Buying-in shall take place between Half-past One and Three o'clock, and on Saturday between a Quarter-past Twelve and One o'clock.

(5) The loss occasioned by such Buying-in shall be borne by the Member who shall not have delivered the Securities by Half-past Two o'clock on the previous day, or by Twelve o'clock on Saturday.

(6) Securities bought-in and not delivered by One o'clock on the following day, or by Twelve o'clock on Saturday, may be again bought-in for immediate delivery without further notice, and any loss shall be paid by the Member causing such further Buying-in.

141—A Member who shall allow Two clear days to elapse without buying-in or attempting to buy-in

Securities passing by delivery releases his Seller from any loss in consequence of the public declaration of any Member as a Defaulter, unless he shall have waived such right at the request, or with the consent of the Seller.

142.—(1) In case the Official shall not succeed in executing an order to buy-in, the notice of such Buying-in shall remain on the General Notice Board, and the Official shall on demand by the Buyer, renew the attempt to buy-in without further notice, and the Authorised Official charges for such renewed attempts shall be paid by the Member held responsible under Rule 134.

(2) Such orders shall not be executed before Two o'clock, or before a Quarter-past Twelve o'clock on Saturday.

143.—(1) The Seller of Inscribed Stock for the Consols Account or for a specified day, who shall not receive a Ticket by Half-past One o'clock, or a Quarter-past Twelve o'clock on Saturday, may sell out against the Buyer.

(2) If such Ticket shall not have been regularly issued before Half-past Twelve o'clock, or Half-past Eleven o'clock on Saturday, the issuer thereof shall be responsible for any loss occasioned by the Selling-out. Should the Ticket have been regularly put in circulation, the holder at Half-past One o'clock, or Half-past Twelve o'clock on Saturday, shall be liable.

144.—(1) The Seller of Inscribed Stock dealt in for the ordinary Account, who shall not receive a Ticket by Three o'clock on the Ticket-day, may sell out against the Buyer on the Account-day or on any subsequent day.

(2) If a Ticket shall not have been regularly issued before Two o'clock on the Ticket-day, the issuer thereof shall be responsible for any loss occasioned by such Selling-out. Should a Ticket have been regularly put into circulation, the holder at Three o'clock on the Ticket-day shall be liable. In case of Selling-out on any subsequent day, the holder of the Ticket at Three o'clock on the previous day, or at One o'clock on Saturday, shall be liable. Should, however, undue delay in passing the Ticket be proved, the Member causing such delay will be held responsible.

145.—(1) The deliverer of Securities deliverable by deed of Transfer, who shall not receive a Ticket by Half-past Two o'clock on the Ticket-day, may sell out such Securities up to Three o'clock, or One o'clock on Saturday, on that day or any subsequent day.

(2) If the Security be one of those undertaken by the Settlement Department, written notice stating from whom a Ticket is required must be given to the Department at least One hour before such Selling-out, and in no case shall such Securities be sold out before Twelve o'clock.

(3) If a Ticket, except for Securities dealt in in the Mining Markets, shall not have been regularly issued before Twelve o'clock, the issuer thereof shall be responsible for any loss occasioned by Selling-out. Should a Ticket have been regularly put into circulation, the holder thereof at Two o'clock shall be responsible for any Selling-out on the Ticket-day. If the Selling-out take place on the Account-day, the holder of the Ticket at Three o'clock on the Ticket-day shall be liable, unless such Ticket was in the Settlement Department at Three o'clock, in which case the holder of such Ticket at Five o'clock shall be liable.

(4) If a Ticket for Securities dealt in in the

Mining Markets shall not have been regularly issued before Two o'clock on the General Contango-day, the issuer thereof shall be responsible for any loss occasioned by Selling-out. Should a Ticket have been regularly put into circulation, the holder thereof at Two o'clock on the Ticket-day shall be responsible for any Selling-out on that day; and the holder of the Ticket at Six o'clock on the General Contango-day shall be responsible for any Selling-out on the Account-day, unless the Ticket was in the Settlement Department at Six o'clock on the General Contango-day, in which case the holder of the Ticket at One o'clock on the Ticket day shall be liable.

(5) In the case of Selling-out on any day after the Account-day the holder of the Ticket at Three o'clock on the previous day, or One o'clock on Saturday, shall be liable, unless he can prove undue delay in passing the Ticket.

146.—Should the deliverer of securities deliverable by deed of Transfer allow Two clear days from Three o'clock on the Ticket-day to elapse without availing himself of his right to sell out, his Buyer shall be relieved from all loss in cases where the Ticket has not been passed in consequence of the public declaration of any Member as a Defaulter. If a Seller does not deliver Securities within Thirteen clear days from the Ticket-day the intermediate Buyer from whom he received the Ticket shall be released, and the issuer thereof shall alone remain responsible for the payment of the purchase-money.

147.—When Securities are sold out, if a Ticket be not given within half-an-hour after the time of sale, the transfer may be made into the name of the Buyer.

148.—A Member, who has sold Securities passing by delivery for a specified day, may sell out the same on that day, if the Buyer is not prepared to pay for them by Half-past Two, or Twelve o'clock on Saturday, and the Buyer shall be liable for any loss incurred.

Special Settlements and Official Quotations.

149.—The Secretary of the Share and Loan Department shall give Three days' public notice of any application for a Special Settling-day in the Scrip or Bonds of a new Loan previously to its being submitted to the Committee, who will appoint a Special Settling-day, provided that sufficient Scrip or Bonds are ready for delivery and are in reasonable amounts.

150.—(1) The Secretary of the Share and Loan Department shall give Three days' public notice of any application for a Special Settling-day in the Shares or other Securities of a new Company previously to such application being submitted to the Committee, who will appoint a Special Settling-day provided that sufficient Certificates or Scrip are ready for delivery.

(2) The Committee will not fix a Special Settling Day for bargains in Shares or Securities issued to the Vendors, credited as fully or partly paid, until Six months after the date fixed for the Special Settlement in the Shares or Securities of the same class subscribed for by the public, but this does not necessarily apply to reorganisations or amalgamations of existing Companies, or to cases where no Public Shares are issued, or to cases where the Vendors take the whole of the Shares issued for cash.

151.—(1) The Committee may order the Quotation in the Official List of any security of sufficient magnitude and importance

(2) Applications for Quotation must be made to the Secretary of the Share and Loan Department and must comply with such conditions and requirements as may be ordered from time to time by the Committee.

(3) Three days' public notice must be given of every application.

(4) A Broker, a Member of The Stock Exchange, must be authorised to give the Committee full information as to the Security and to furnish them with all particulars they may require.

152.—Securities issued to Vendors credited as fully or partly paid shall not be quoted until six months after the date fixed for the Special Settlement of the Securities of the same class subscribed for by the public, nor unless a quotation for the latter is also granted.

Official List and Marking of Bargains. 153.—A List of Securities admitted to Quotation shall be published under the authority of the Committee; and no list shall be published and sold by a Member without the sanction of the Committee.

154.—The prices of all bargains done between a Quarter-to-Eleven and Half-past Three o'clock, and between a Quarter-to-Eleven and One o'clock on Saturday, may be marked in the Official List, but no price shall be inserted unless the bargain shall have been made in The Stock Exchange between Members at the market-price, nor on the authority of one of them, if he refuse, when required by a Member of the Committee, to give up the name of the Member with whom he has dealt.

155.—A Mark shall not be expunged from the Official List without the authority of the Chairman, Deputy Chairman or Two Members of the Committee.

156.—Bargains at special prices by reason of their exceptional amount may be marked, but with distinguishing signs.

157.—Bargains should be marked in the order in which they are made, but the Clerks of the House may, with the concurrence of a Member of the Committee, mark omitted bargains in the order in which they occurred upon an application signed by the Buyer and the Seller stating the amount, the time when, and the price at which such bargains were made, and such application shall be reported to the Committee at their next meeting.

158.—(1) Objections to Marks must be lodged with the Clerks of the House by Twenty minutes to Four, or Ten minutes past One o'clock on Saturday.

(2) Objections to Quotations in the List must be lodged with the Clerks of the House by a Quarter to Four, or a Quarter-past One o'clock on Saturday.

Failures. 159.—(1) Two Members shall be appointed annually by the Committee to act as Official Assignee and Deputy Official Assignee respectively, hereinafter called the Official Assignees, whose duty it shall be to obtain from a Defaulter his original books of account, and a statement of the sums owing to and by him, to attend Meetings of creditors and to summon the Defaulter before such Meetings, to enter into a strict examination of every account, to investigate and report to the Committee forthwith any bargains found to have been effected at unfair prices, and to manage the estate in conformity with the Rules, Regulations and usages of The Stock Exchange.

(2) Each Official Assignee shall find security amounting to £1,000 from Two or more Members of The Stock Exchange. In the event of any

default or misappropriation by any Assignee of funds or property entrusted to his care, or of any other act of dishonesty on his part, each of his Sureties shall pay, under direction of the Committee, such sum as he shall have guaranteed.

160.—(1) A Member unable to fulfil his engagements shall be publicly declared a Defaulter by direction of the Chairman, Deputy-Chairman or any Two Members of the Committee, and thereby ceases to be a Member.

(2) The Request for such declaration shall be handed to the Secretary not later than a Quarter to Three o'clock, or Half-past Twelve on Saturday, and the declaration shall be forthwith announced to The Stock Exchange. A Declaration shall not be announced before a Quarter to Eleven o'clock.

160a.—A Member who has been declared a Defaulter shall forthwith execute and deliver to the Official Assignee a Deed of Arrangement in the approved form.

161.—A Member who may fail to pay the fees due to the Trustees and Managers or who may have a Receiving Order in Bankruptcy made against him or be adjudicated a Bankrupt or who may be proved to be insolvent, although he may not be at the same time a Defaulter in The Stock Exchange, shall cease to be a Member upon resolution of the Committee to that effect.

162.—When a Member shall give private intimation to his creditors of his inability to fulfil his engagements, the creditors shall not make any compromise with such Defaulter, but shall immediately communicate with the Chairman, Deputy-Chairman, or Two Members of the Committee, in order that the Member in default may be immediately declared; and in case the Committee shall obtain knowledge of any private failure, the name of the Defaulter shall be publicly declared.

163.—A Member conniving at a private failure, by accepting less than the full amount of his debt, shall be liable to refund any money or Securities received from a Defaulter, provided such Defaulter be declared within Two years from the time of such compromise, the property so refunded being applied to liquidate the claims of the subsequent creditors. Any arrangement for settlement of claims, in lieu of *bona fide* money payment on the day when such claims become due, shall be considered as a compromise, and subject to the provisions of this Rule.

164.—(1) In the event of a default the Regulations in force shall apply.

(2) In every case of failure, the Official Assignees shall publicly fix the prices current in the Market immediately before the declaration, at which prices all Members having accounts open with the Defaulter shall close their transactions by buying of or selling to him such Securities as he may have contracted to take or deliver, the differences arising from the Defaulter's transactions being paid to, or claimed from the Official Assignees.

(3) Unexpired options shall be similarly closed at a Market valuation.

(4) In the event of a dispute as to the prices they shall be fixed by Two Members of the Committee. Any objection must be lodged with the Official Assignees in writing within Two business days of the time when the list was posted in The Stock Exchange.

165.—(1) The Official Assignees shall collect and pay the assets into such Bank and in such names, as the Committee may from time to time direct,

and the same shall be distributed as soon as possible.

(2) Legal Expenses incurred on account of a Defaulter's estate shall be deducted from the sum available for distribution.

166—Creditors for differences shall have a prior claim on all differences received by, or due to a Defaulter's estate.

167—A creditor receiving, under any circumstances, a larger proportion of differences on a Defaulter's estate than that to which each of the creditors is entitled, shall refund such portion as shall reduce his dividend to an equality with the others. A Member completing a bargain with the principal of a Defaulter shall immediately notify the fact to the Official Assignees.

168—A Member who shall have received a difference on an account, prior to the regular day for settling the same, or who shall have received a consideration for any prospective advantage, whether by a direct payment of money, or by the purchase or sale of Securities at a price either above or below the market price at the time the bargain was contracted, or by any other means, prior to the day for settling the transaction for which the consideration was received, shall, in case of the failure of the Member from whom he received such difference or consideration, refund the same for the general benefit of the creditors; and any Member who shall have, under the circumstances above stated, paid or given such difference or consideration, shall again pay the same to the creditors, so that, in each case, all persons may stand in the same situation with respect to the creditors, as if no such prior settlement or other arrangement had taken place.

169—A claim which does not arise from a Stock Exchange transaction cannot be proved against a Defaulter's estate.

170.—(1) The following claims will not be allowed to rank against a Defaulter's estate until all other claims have been paid in full, but assets arising from such transactions shall be collected and distributed among the creditors:—

(i) Claims arising from Bargains done more than Eight days previously to the close of a Consols Account for a date beyond the Second ensuing Consols Account-day.

(ii) Claims arising from Bargains for a period beyond the Third ensuing Ordinary Account-day.

(iii) Claims arising from Bargains in Securities for a date previous to that fixed for the Special Settlement.

(iv) Claims arising from differences which have been allowed to remain unpaid for more than Two business days beyond the day on which they became due.

(2) Differences overdue and paid previous to the day of default are not to be refunded.

171—Members not receiving due payment for Securities delivered on the day of default, are entitled, so far as regards the value thereof at the average price on the day of delivery, to be paid *pro rata*, and preferentially, out of assets resulting in any manner from such Securities, or derived from the Defaulter's own resources, and, should these prove insufficient, they shall, as to the balance of such claims, participate with other creditors in any surety-money of the Defaulter.

172—In the case of a loan of money made upon Securities, the lender shall realise his Securities within Three clear days, unless the creditors consent to a longer delay, or he shall take them at a price

to be fixed by the Official Assignees, with appeal to any Two Members of the Committee. Should the Security be insufficient, the difference may be proved against the Defaulter's estate.

173—A loan without Security shall not be admitted as a claim on the differences of a Defaulter's estate; nor shall any such loan, when of longer duration than Two business days, be admitted as a claim on any other of his assets; and should any unsecured creditor receive payment of his loan from a Member on the day of his default, such payment being made out of assets not belonging to the Defaulter previously to that day, he shall refund the amount so received for the benefit of the Defaulter's estate.

174—A Non-Member shall be allowed to participate in a Defaulter's estate, provided his claim be admitted by the creditors, or, in case of dispute, by the Committee, and a person whose claim is so admitted, may be represented at the meeting of creditors by any Member whom he may appoint.

175—A Member, being a creditor upon a Defaulter's estate, shall not sell, assign or pledge his claim on such estate to a Non-Member without the concurrence of the Committee, and such assignment shall be immediately communicated to the Official Assignees.

176—A Member shall not attempt to enforce by law a claim arising out of a Stock Exchange transaction against a Defaulter, or the Principal of a Defaulter, without the consent of the creditors of the Defaulter or of the Committee.

177—(1) A Member may, with the consent of the creditors and the sanction of the Committee, and not otherwise, carry on business for the benefit of a Defaulter in accordance with the Regulations in force.

(2) A Member shall not deal with a Defaulter for his own account before his re-admission to The Stock Exchange.

(3) A Member may with the sanction of the Committee, and not otherwise, carry on business for or with a person who has ceased to be a Member under Rules 39, 42, or 161, or who after ceasing to be a Member from any cause becomes bankrupt.

(4) A Member shall not carry on business for or with a person who has been expelled from The Stock Exchange.

178—(1) Once in every month, the Official Assignees shall lay before the Committee an account of the balances in their hands belonging to Defaulters' estates, and the Committee shall order such balances as they think fit to be paid over to the account of the Trustees of The Stock Exchange Benevolent Fund, subject to recall by the Committee for distribution amongst creditors, or for payments by or to the Official Assignees which have been authorised by the Committee.

(2) A statement of all sums so paid over, and of the amount remaining in the hands of the Trustees of The Stock Exchange Benevolent Fund on the 31st of December in every year, shall be furnished by the Official Assignees and deposited in the Committee Room, for the inspection of the Members of The Stock Exchange.

(3) On the 1st of February in each year the Official Assignees shall lay before the Committee the names of the Defaulters who have been re-admitted as Members or Clerks but have not paid 20s in the £, with particulars as to the date of re-admission, the original liabilities, the dividends paid and the date and amount of the last payment.

(4) On the 1st of March, in each year, the Official Assignees shall lay before the Committee a statement of all dividends paid during the last year on each Defaulter's estate.

Commissions. 179.—The Minimum Scale of Commission is not compulsory in the case of Underwriting or the placing of New Issues. Nor shall it apply to Continuations provided that a Broker shall charge or allow in respect of Continuation business a rate not more favourable to his Principal than that actually paid or received by him in the market, or if the Continuation is effected wholly or partially by the employment of his own resources a rate which shall be fair and reasonable having regard to the market conditions of the day.

180.—(1) A Broker shall render to a Non-Member a contract note in respect of every bargain done for such Non-Member's Account, stating the price at which the bargain has been done. Subject to the provisions of Rules 82 and 83, such contract note shall contain a charge for Commission at a rate not less than the Scale as laid down or as modified by the provisions of Rules 179, 182, 183, 184, or 189.

(2) Subject to Rules 181, 189 (3) and 190 the Rules under the heading of "Commissions" do not lay down any restrictions as to dealings between Members.

(3) Except for business done under Rule 186 a Broker may render a net contract note provided Commission in accordance with Clause (1) of this Rule is charged and provided such contract note states that the Commission is allowed for in the price.

181.—A Broker may not act as a Principal for the purpose of evading these Rules, or adopt any other procedure for a like purpose, nor may he commute his Commission for a fixed payment or salary unless in each year he be specially authorised so to do by the Committee, nor may he divide profits or Commission with a Non-Member except as authorised by Rules 186, 187, and 188.

182.—(1) A Broker may at his discretion charge only one Commission for buying and selling the same security for the same Principal for the same Account.

(2) On a change of investments Commission must be charged on both sale and purchase at a rate not less than the scale laid down or as modified by the provisions of Rule 138, but if such change be made for the same Principal during the same Account or the Account immediately following and the Securities have not been continued, a Broker may at his discretion charge Commission at a rate not less than the scale as laid down on one transaction and a reduced Commission of not less than half that rate on the other. The full rate must be charged on the side which yields the larger amount.

183.—(1) On any transaction in which the consideration money is £2,500 or under, the full Commission laid down must be charged. In the case of a transaction in which the consideration money exceeds £2,500 full Commission must be charged up to that amount, but a Broker may, at his discretion (when in his opinion the volume of his Principal's business justifies it), charge a reduced Commission on the balance of the transaction, provided that in no case shall such reduced Commission be less than one-half of the Minimum Scale laid down.

(2) In the case of a transaction in not less than £20,000 Stock of a Security of or Guaranteed by the British or Indian Government having a currency of

not more than twelve years, a Broker may at his discretion charge a reduced Commission on the entire amount provided that in no case shall such reduced Commission be less than one-half of the Minimum Scale laid down.

(3) The reduced scale allowed by this Rule is not applicable when a Broker charges only one Commission under Clause (1) of Rule 182.

(4) In the case of an order to invest or realise an amount of money in or from several Securities, each bargain, the consideration for which does not exceed £2,500, must bear the full Commission, but should an order in one Stock, if above £2,500 consideration, be only partially executed, the Commission may be adjusted on completion of the order.

184.—(1) A Broker may at his discretion, when in his opinion the volume of any Principal's business justifies it, charge that Principal a uniform Commission of not less than 1s. 6d. per share on shares passing by delivery when the price exceeds £25, and at his like discretion a uniform Commission of not less than 6d. per share on shares dealt in in the American Market on any order for not less than fifty shares.

(2) When such uniform Commission is charged it shall be charged on every bargain whether by way of closing, change of investment or otherwise, and shall not be shared in any way with any person other than a Remisier or a Clerk in the Broker's own exclusive employment as provided in Rules 187 and 188.

185.—A Broker shall, subject to the provisions of Rules 82, 83 and 190 (4), charge Commission at not less than the Minimum Scale as laid down without modification to any Stock and Share Broker or Dealer in the United Kingdom, whether carrying on business in the form of a limited Company or otherwise, who advertises in the public Press for Stock Exchange business or issues circulars respecting such business to other than his own Principals, except in connection with Securities which are purely local and not quoted in "The Stock Exchange Official List," or who is a Member of any other institution within the London Postal Area, where dealings in Stocks or Shares are carried on, or is proved to the satisfaction of the Committee to have dealt or offered to deal below the Minimum Price in any Security subject to such Minimum Price, and no allowance or rebate in respect of such Commission shall be made to such Broker or Dealer or any other person.

186.—(1) A Broker may share his Commission with an Agent provided that (except in the case where such Agent is his Remisier or a Clerk in his own employment) the share of the Commission actually retained by him is not less than one-half of the Minimum Scale as laid down except as provided in Clause (4) of this Rule, and also that the Agent's share is not divided with or allowed to his Principal.

(2) A Broker may not share with an Agent the Commission charged on the Agent's personal business, nor may he share Commission under this Rule with Agents on business done for Principals for whom he deals under the provisions of Rules 183 or 184, nor may he share Commission with any Agent who may be proved to the satisfaction of the Committee to have dealt or offered to deal either as Principal or Agent below the Minimum Price in any Security subject to such Minimum Price.

(3) A Broker who shares Commission with an

Agent under the provisions of this Rule shall render a Contract Note which shall state that the business has been done "by order of" the Agent, and that the Commission is shared with such Agent under the provisions of this Rule. Such Contract Note must not be rendered "net," and must show Commission at not less than the scale laid down.

(4) In the case of a change of investments made under the conditions of Clause (2) of Rule 182 a Broker may share Commission with an Agent on both sale and purchase, provided that (except where such Agent is the Broker's Remisier or a Clerk in his own employment) the share of Commission actually retained by the Broker is not less than one-half of the Minimum Scale laid down on the side yielding the larger amount, and on the other side not less than one-half of the reduced Commission allowed by Rule 182, Clause (2).

187—A Broker shall be entitled to employ as a Remisier for the purpose of his business a person resident abroad whose name is registered with the Committee, and to remunerate such Remisier with a share not exceeding one-half of the Commission charged to the Principal he introduces, whether such Commission be at the Official Scale as laid down or as modified by the provisions of Rules 182, 183, and 184.

188—A Broker may remunerate a Clerk in his own exclusive employment with a share not exceeding one-half of the Commission charged to the Principal he introduces, whether such Commission be at the Official Scale as laid down or as modified by the provisions of Rules 182, 183, and 184, provided that such remuneration is not shared by the Clerk with or allowed to his Principal.

189—(1) On any transaction for a Member of any Associated Stock Exchange in the United Kingdom, or a Stock Broker whose name is included in the "List of Stock Brokers in the United Kingdom kept by the Commissioners of Inland Revenue in pursuance of Section 77 (3) of the Finance (1909-10) Act, 1910," and who does not carry on business within the London Postal Area, such Broker not being excluded by the provisions of Rule 185, a Broker may at his discretion charge Commission at a rate not less than the scale laid down in Clause (4) of this Rule, and when orders for the same Principal for sale and re-investment for the same Account are given simultaneously, Commission at not less than one-half the charges laid down in Clause (2) of Rule 182.

(2) The Commission laid down by this Rule shall be the minimum Commission to be charged on all business coming to The Stock Exchange from a Member of any Associated Stock Exchange or country Broker, as defined in Clause (1) of this Rule, except that a Broker may apply to such business the provisions of Clause (1) of Rule 182. Such Commission shall not be shared with anyone except a Clerk in the Broker's own exclusive employment. Such Clerk shall not, under any circumstances, either directly or indirectly divide or share his proportion of such Commission with or allow the same to such country Broker.

(3) A Broker shall not act as a Principal or send an order to a Member of an Associated Stock Exchange or country Broker for the purpose of evading the minimum Commission on such business, nor shall he adopt any other procedure for a like purpose. Any evasion will be treated as a breach not only of this Rule but also of Rule 81 which prohibits shunting.

(4) On transactions for Brokers as defined in Clause (1) of this Rule a Broker may at his discretion charge a reduced Commission at the rate of not less than one-half of the rates laid down, irrespective of the volume of the transactions in question and further he may charge the following exceptional reduced rates, viz—

Railway and other Registered Stocks.

Price £25 or under	$\frac{1}{2}\%$ on Stock
Over £25 to £50	$\frac{1}{4}\%$..
" £50 to £150	$\frac{1}{8}\%$..
" £150 to £200	$\frac{3}{8}\%$..
" £200 to £250	$\frac{1}{2}\%$..
with $\frac{1}{8}\%$ rise for every £50 in price	

American Shares of \$50 or \$100 Denomination

Price \$50 or under	3d. per Share
Over \$50 to \$100	4½d. " "
" \$100 to \$150	6d. " "
" \$150 to \$200	9d. " "
" \$200	1s. 0d. " "

190—For the purposes of administering the Commission Rules—

(1) A Broker, when transacting business between a Dealer and a Member of the Public, shall be considered as acting as the Agent of the Non-Member.

(2) The remuneration of a Broker when transacting business between a Dealer and a Country Broker must in no case be less than the minimum rate laid down in Rule 198.

(3) A Broker, when transacting business between a Dealer and an outside Broker or Dealer who is excluded by the provisions of Rule 185, must always charge the latter with full Commission as laid down.

(4) Subject to the provisions of Rule 83, a Broker, when transacting business between a Country Broker who is entitled to the privileges of Rule 189 and an outside Broker or Dealer who is excluded by the provisions of Rule 185, must charge the full Commission as laid down to the latter and none to the former.

191—A Broker may not share Commission under Rules 186, 187, or 188 with a former Member who has applied for re-election and has been rejected.

STOCK EXCHANGES.—When the term Stock Exchange is used in this country, the London Stock Exchange is the one to which reference is most generally made. The reason for this is that London has been for many years the great financial centre of the world, and it is probable that for many years to come the London Stock Exchange will play the most important part in all matters which concern the money market. But as trade has expanded and speculation become more common, various provincial cities and towns have established Stock Exchanges of their own, especially Glasgow, Dublin, Liverpool, Manchester, Birmingham, Sheffield, Leeds, and Bristol. Outside the United Kingdom the Stock Exchange of New York, very frequently referred to as "Wall Street" (*q.v.*), as the London Stock Exchange is sometimes spoken of as "Capel Court," occupies a most important place, perhaps second only to London. On the continent of Europe the great Stock Exchanges are those of Amsterdam, Paris, and Frankfurt-on-the-Main. The exchanges of Berlin, Vienna and Petrograd are of less importance than those already mentioned, but political and commercial changes may easily enable them to secure greater recognition at any time.

STOCK EXCHANGE SETTLEMENT.—The Stock Exchange settlement, frequently also termed "the account," is the period during which bargains that have been entered into for completion on the account or settlement day are settled. There are two accounts per month, the intervening intervals varying from eleven to nineteen days. The Stock Exchange Committee fixes the dates a considerable time beforehand, and aims at making each settling day fall as nearly as possible at the middle and the end of each month. Practically all stock and share dealings are for these half-monthly or fortnightly accounts, as they are oftentimes inaccurately termed, but an exception has to be made for British Government stocks, which are dealt in in the Consol market, the account in which takes place once a month only, usually during the first week.

The settlement itself occupies four days, viz: (1) The mining contango day, (2) the general contango day (also known as carry-over day), (3) ticket day (also known as name day), (4) the settlement or pay day. Leaving out of account those few securities which are dealt in in the Consol market, the settlement in which, as already stated, takes place once monthly, practically all Stock Exchange dealings are for the ensuing settling day, although exceptional dealings may take place for cash, *i.e.*, for immediate settlement. All sales and purchases effected for the account must, therefore, be adjusted on the settling day, that is to say, all securities sold must be delivered, and all bought paid for, on the ensuing settling day, unless arrangements are made to continue the bargains in the manner described under the heading of CARRY OVER.

On the mining contango day the making-up prices for mining shares are fixed, and arrangements are made for continuing any bargains in this class of security. The account used to consist of three days only, but some years ago so much business arose in connection with the large number of dealings that took place in mining shares, that a special day was appointed in front of the ordinary days of the settlement to arrange the carry over in this class of share alone.

The second day of the settlement, viz., the general contango day, is the day on which the carry over or continuation of bargains in all securities other than those dealt in on the Consol market and the mining market is arranged.

On the third day of the account, viz., the ticket or name day, the work of bringing together the ultimate buyer and seller, which has already been partially described under the heading of CLEARING HOUSE, is commenced. The system of passing tickets, which is described under the heading of CLEARING HOUSE, is not limited to those securities that happen to be included in the working of that institution, for everyone who has purchased registered stock or shares has to pass a ticket on which is written either his own name or that of some other individual who is prepared to take up the stock or shares and pay for them. As is shown in our description of the Clearing House, the last purchaser of stock during the account passes a ticket to the individual from whom he bought, who in turn passes the ticket on to the person from whom he bought, and so on. These tickets are, in fact, treated as stock, and pass from seller to seller, thus closing the transaction and creating differences for collection, such differences being paid on the last day of the account, known variously as "the account," "account day," "the settlement,"

"settling day," and "pay day." The final and most important day of the settlement is the pay day, or account day, on which securities that have been purchased during the account are delivered and paid for, and the various differences arrived at by means of the ticket system, or through the Clearing House, as already explained, are paid.

The delivery of securities commences at 10 a.m., and lasts until 2.30 p.m., after which hour payment cannot be demanded on that day. Bearer securities are paid for on delivery, and if a ticket has been issued in respect of them, they are paid for at the price named on the ticket. The difference between the making up, or ticket price, is settled by the various parties concerned as "differences." If bearer securities are not delivered by half-past 2 on settling day, they may, on compliance with certain formalities, be bought in on the following or any subsequent day.

As regards registered stock or shares, change of ownership in which can only be effected by means of a deed of transfer, the seller is allowed a delay of ten days in which to deliver the certificates of the shares, together with a transfer executed by the seller. If this is not done within a period of ten days from the settling day, the issuer of the ticket, *i.e.*, the buyer, may buy in the shares after half-past 1 on the eleventh or any subsequent day after the date of the ticket. A transfer deed executed by the registered proprietor of the stock or shares must be accompanied by the supporting certificate, unless the transfer is certified (see CERTIFIED TRANSFER), that is to say, unless an official of the company, or the Secretary of the Share and Loan Department of the Stock Exchange, has marked it to the effect that a certificate for the stock or shares named in the transfer deed has been lodged with him. Various rules exist as to what constitutes good delivery. Thus, a bond or certificate that is torn or damaged to such an extent that a material part of the wording is obliterated, is not deemed to be good delivery, and a buyer cannot be called upon to accept as good delivery a certificate of American shares in a larger denomination than fifty shares of \$25 each, twenty shares of \$50 each, or ten shares of \$100 each, nor is he obliged to accept a bond of a larger denomination than \$1,000.

Various rules govern the method of payment. For example, cheques must be crossed and drawn to bearer, and must be passed through the Bankers' Clearing House, unless the drawer consents to their being otherwise presented. If a member requires bank notes in payment for securities sold, and has not made a stipulation to this effect at the time the bargain was entered into, he must give notice to the buyer before half-past 11 on the day of delivery. One of the rules of the Stock Exchange expressly stipulates, however, that no member is entitled to demand bank notes in payment of differences.

STOCK HOLDER.—The person who is the holder of stock in the public funds or in the funds of a joint-stock company.

STOCK-IN-TRADE.—Goods which are actually in the possession or under the control of a tradesman, and also the fittings, furniture, machinery, tools, and appliances of all kinds which are necessary and in use for the conduct of a trade or business.

STOCK JOBBER.—This is the name given to the dealer on the Stock Exchange who conducts the real business of the transfer of stocks and shares, by purchase or sale, through the intermediate action of the stockbroker. The stock-jobber

is not allowed to deal directly with the public; a stockbroker must be employed. It will be seen that the stock jobbers are, as it were, merchants dealing in the goods, wares, and merchandise which form the stock-in-trade of the members of the Stock Exchange. The profits of the jobbers arise out of the difference between their buying and their selling prices. This is very frequently known as the "turn" of the market.

STOCK RECEIPT.—The receipt which is given by the seller or his attorney, to the purchaser, when inscribed stocks are transferred. It is of no value as a security. A holder's title is the entry in the stock books at the place where the stocks are domiciled. Certain stocks may be converted by a holder into certificates to bearer. (See STOCK CERTIFICATE TO BEARER.)

In order that inscribed stock may be taken as a security for an advance, it must be registered in the name of the bank or in the names of the bank's nominees.

STOCK-TAKING.—In order that a trader may ascertain his exact financial position, it is necessary that he should periodically examine carefully the stock which he has on hand, and at the same time cause a valuation to be made of his machinery, fittings, or appliances used in his business. This is known as taking stock. (See COST ACCOUNTS, STOCK, VALUATION OF.)

STOCK TRUST CERTIFICATE.—This is the name of a certificate issued by certain American railroad companies. It certifies that, on surrender, some person who is actually named will be entitled, out of certificates delivered to certain named trustees, to receive a certificate for a number of shares of a named value.

On the back of the certificate is a form of transfer and an appointment of an attorney to transfer all interest in the stock trust certificate in the books of the trustees. (See AMERICAN SECURITIES.)

STOCK, VALUATION OF.—The correct valuation of stock is a most important factor by reason of its effect upon the trading results. It is necessary that the most careful consideration be given to the basis of valuation, as subsequent comparisons of the results of periods, unless all are arrived at by a similar method, only lead to confusion, and are misleading. Even slight inflations of values are sufficient to give wrong figures, whilst an under estimation of value creates a secret reserve.

In the first place it is necessary that stock should be carefully taken so that no goods are taken into account which are not included in purchases, nor goods undelivered which have been charged in the day book. Unsaleable stock should have special attention, and notes made on the stock sheets to the effect that it has depreciated in value.

The stock sheets having been made up as to quantities, etc., the valuation should be left to a responsible person, who should be prepared to give a certificate as to value and the basis of the same.

The general rule, and the one deemed to be the most prudent, is to value on the basis of cost or market value, whichever may be the lower at the date of stock-taking. This rule is based on the fact that profit is not earned until the sale is actually made, and should a market price which is above cost be taken, it is anticipating a profit.

In regard to the valuation of stocks in manufacturing businesses, the following are the usual bases adopted—

Raw Materials. At cost or market, adding direct charges.

Partly Manufactured Goods. At cost of materials, plus labour and direct charges.

Finished Goods. At cost of production and a percentage of fixed charges.

Certain businesses require to add a percentage to the original cost of stock for interest on the capital employed in keeping such stock. A good example of this is in the case of a wine merchant who may stock certain wines, etc., until they mature, for the longer they are kept the higher value they carry.

STOCK WARRANT.—A stock warrant to bearer is a negotiable instrument (*q.v.*) which entitles the bearer of the warrant to the stock therein specified.

A stock warrant is included in the expression "share warrant" in the Companies (Consolidation) Act, 1908. (See SHARE WARRANT.)

STOLEN BANK NOTES.—When bank notes have been lost or stolen, a notice is sometimes put forward to the effect that payment of them is stopped. This stoppage is not always of much value. It does nothing more than put people on the alert, and sometimes the course taken by notes which are missing may be traced; but it must not be forgotten that bank notes are negotiable instruments, and that if they get into the hands of a person who has taken them *bona fide* and for value, the holder is entitled to retain them, whether they have been lost or stolen. Their previous history is irrelevant so long as the holder has acted all through in good faith. It must be recollected that in matters connected with all kinds of negotiable instruments, a thing is said to be done in good faith if it is, in fact, done honestly, whether there is anything negligent about it or not.

A bank note is, of course, the subject of larceny, and the actual thief or the person receiving the note well knowing it to have been stolen is guilty of a criminal offence.

STOLEN BILL.—A bill of exchange is capable of being stolen like any other negotiable instrument, or document of title, but the civil position as to the liabilities of parties is more difficult than in the case of a stolen bank note. This is largely owing to the fact that section 20 of the Bills of Exchange Act, 1882, gives very full authority to the holder of an inchoate instrument (*q.v.*) to turn the document into a complete bill. But this does not permit of the filling up and the conversion being effected by any person other than the one who is duly authorised to do it. Thus, if an incomplete bill is stolen, no action can be brought upon it, for it would have to be signed by some person or other, and the signature placed upon it would be either a forgery or an unauthorised signature. It is specially provided by section 24 of the Act that a forged or unauthorised signature is altogether inoperative. In one case a blank acceptance was placed in a desk by the acceptor. It was stolen, and after some person had filled in his name as drawer the bill was negotiated. It was held that even a holder in due course (*q.v.*) could not recover the amount of the bill from the acceptor, as he had never delivered the inchoate document for the purpose of being converted into a bill. Whatever remedies may exist for those persons who have dealt with the instrument, these are altogether independent of the document, which was, in fact, never a bill of exchange at all.

If, however, the bill is complete in form, the position of the parties will depend upon special circumstances. Thus, suppose the bill is drawn to order or is specially indorsed and is then stolen. The bill requires indorsement. Unless, then, the proper person indorses it, the signature of the indorsee is either forged or unauthorised. No title can be made to the bill, and even a holder in due course has no claim against any party to the bill whose name appeared thereon prior to the forged or unauthorised signature. His remedy, civil or criminal, is against the person or persons from whom he took it. On the other hand, however, if the bill is payable to bearer or indorsed in blank, and is then stolen, since no indorsement is necessary, a holder in good faith and without notice that his title to the bill is defective is entitled to demand payment of the same from any person who is a party thereto. Also, if a bill which is indorsed in blank is stolen whilst in the course of negotiation from any person who was the holder of it, the payment at maturity by the acceptor, provided he acts in good faith, is a good discharge of the bill, even though payment is made to the actual thief. It should be noticed that when a bill is in the hands of a holder in due course, a valid delivery of the bill by all parties prior to him so as to make them liable is conclusively presumed.

With regard to bills of exchange in general, *re*, those which do not fall within the definition of a cheque, and as to which a banker is specially protected in some cases, a banker is in no better position than a private individual, unless special arrangements are made by the banker when a bill is made payable at his bank (See FORGED INDORSEMENTS).

STOLEN CHEQUE.—The person who steals a cheque, or is concerned in the theft of the same, is liable to be prosecuted for larceny, just as in the case of stealing any other document of title.

As to the civil liability of parties to a cheque which is stolen, though in some respects a cheque is on the same footing as a bill of exchange, a banker is in a peculiar position, owing to the protective provisions of the Bills of Exchange Act, 1882. As to any other person, the position is almost precisely the same as in the case of a stolen bill. As far as the ordinary person is concerned, a forged or an unauthorised signature is of no effect, and if a cheque drawn to order or specially indorsed is stolen, and the indorser's signature is forged or unauthorised, even a holder in due course can make no title to it. If, on the contrary, it is a cheque payable to bearer, or if it is not specially indorsed, *re*, if it is altogether in order when it comes into the hands of a *bona fide* holder, the holder is entitled to recover the amount of the cheque from any person who is a party to it. The crossing of cheques and the marking of them as "not negotiable," have safeguarded the public to a remarkable extent by making it more difficult for a thief to obtain cash for the cheques, though the mere crossing of a cheque does not affect its negotiability if it is regular in every other respect. Both these matters have been exhaustively dealt with in the articles under the respective headings. If a cheque is stolen whilst in course of transmission, a holder in due course is entitled to the amount of it, and may sue the drawer or any other party to the cheque upon it if payment has been stopped. But, of course, if the cheque is specially indorsed and the indorsee's signature has not been added, an

unauthorised or a forged signature would have to be appended, purporting to be that of the real indorsee, and through this signature no title could be made. The property in the cheque would remain in the last indorser.

In the case of a cheque which has been crossed with the addition of the words "not negotiable," any person taking such a cheque "shall not have, and shall not be capable of giving a better title to the cheque than that which the person from whom he took it had."

If the banker on whom an open cheque (*q v*) is drawn pays it in good faith and in the ordinary course of business, then (by sect. 60) the banker is entitled to charge his customer, and there is no responsibility resting upon him if the cheque has been stolen and the indorsement forged. This is the special statutory enactment in favour of a banker. If the cheque is payable to bearer, or if, after having been made payable to order it bears the true signature of the indorsee, it gets into circulation, it becomes the property of any holder who has taken it in good faith and has had no reason to doubt that it was regular in every respect.

In the case of a crossed cheque which has been stolen, the banker on whom it is drawn is protected if he pays it in accordance with section 80, and a collecting banker in accordance with section 82 (See CROSSED CHEQUE).

At a first view it seems that the position taken up by a banker as to paying a cheque drawn upon him without his knowing that it had been delivered or issued is not quite in accordance with the law. But as far as practice is concerned, it seems that the position is correctly stated as follows: "If a cheque is stolen, or if after being lost by the drawer it is found by some other person, it is not, in the hands of the thief or of the finder 'issued' as against the drawer. But so far as concerns the bank, it would be considered as issued, and the bank would be protected in paying it, provided it did so *bona fide*, and with no knowledge of the precedent circumstances."

STOLEN GOODS.—Although a perfect legal title can be obtained to real property after the lapse of a certain number of years, however wrongfully possession was obtained in the first instance, there is no similar rule in the case of goods and chattels. The owner can only lose his right to them, no matter how long the same may have been out of his possession, by his own act, unless there has been a sale in market overt (*q v*), and even then this rule as to loss of ownership has no application if the goods were obtained in the first instance by larceny (*q v*), and the thief is prosecuted to conviction. If, then, goods are stolen, the rightful owner is entitled to retake them wherever he finds them, if he can regain possession in a peaceful manner, subject to the exception as to market overt which has just been noticed. In the last named case directly the thief is convicted, the stolen property reverts in the owner, though until conviction the stolen goods generally remain in the custody of the police authorities, unless they are of a perishable nature, or unless the court makes an order to the contrary. Where goods are obtained by false pretences not amounting to larceny, the owner cannot retake, nor does an innocent purchaser in market overt lose the benefit of the sale to him.

If an innocent purchaser is compelled to restore stolen goods to the rightful owner, the thief may be ordered to pay compensation to the loser; but

this is obviously of small advantage, as the culprit rarely possesses the means to make any amends of a pecuniary character.

The law as to the restoration of stolen property sometimes weighs very heavily upon pawnbrokers, though, of course, these traders are well aware of the peculiar risks which attach to their calling. A thief very frequently pawns the stolen articles. It is only by statute that the pawnbroker can ever hope for any compensation, and in deciding as to whether this shall be paid as a condition precedent to the restoration of the stolen goods, the court will carefully consider the whole of the circumstances of the case. Restoration may be ordered without any compensation when goods have been pawned in London, no matter what the amount advanced by the pawnbroker, and outside London the same rule applies if the pawning has been for a sum not exceeding £10. The pawnbrokers are well assisted by the police in being put on their guard against wrongful pawning. When an owner has lost his goods he should immediately make a complaint to the police, and the police will at once issue circulars to the pawnbrokers of the district describing the articles stolen and warning them against taking them in pledge.

It is an offence for any person from whom goods have been stolen to issue an advertisement for their restoration and to promise that no proceedings shall be taken against the thief. The maximum penalty is £50. (See COMPOUNDING.) Proceedings may also be instituted against a newspaper for inserting such an advertisement, but no prosecution is possible in the latter case without the permission of the Attorney-General.

The law as to market overt does not apply to Scotland. (See SALE OF GOODS.)

STONE.—This is a weight of 14 lbs., but there is also a butcher's weight called a stone, used in the meat trade, which is only 8 lbs. (See WEIGHTS AND MEASURES.)

STOP.—This is the name given to a letter or order sent to a banker instructing him to refuse payment of a bill, cheque, or note which has been lost or stolen. The stoppage does not necessarily signify that the holder of the document will be a loser in the long run, for since each of the instruments named is a negotiable instrument—unless, in fact, the bill or the cheque has been crossed “not negotiable”—a holder in due course (*q.v.*) has a perfect title whatever the previous history of the instrument may have been. But an order of this character permits of inquiries being made, and may result in the tracing of the person or persons who have been guilty of dishonest dealing. (See PAYMENT STOPPED.)

STOPA.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

STOP ORDER.—This is an order made by a court of competent jurisdiction in the case of a person who is entitled to a certain fund, either by assignment or mortgage, or otherwise, forbidding any dealing with the fund to his prejudice, or without giving him notice of any proposed dealing. The order secures the position of the applicant.

Recently, the name “stop order” has been introduced from America, and is used in another completely different sense. It signifies that a broker has orders to sell on the best terms he can get if the price should go against the operator and reach a named figure. For example, if a “bull” of 200 shares, standing at 90, sees that the market

is weakening, he might give his broker a “stop order” at 85, which would mean that should the price fall to 85, the broker is to sell the shares at once for the best price he can obtain, even though he cannot get more than 83 for them.

STOPPAGE IN TRANSITU.—An unpaid seller of goods (see SALE OF GOODS) who has parted with the possession of the goods, may, if the buyer becomes insolvent, stop the goods while they are in transit to the buyer or consignee, and resume possession of the goods and retain them until payment or tender of the price. This right is generally known as the right to stop in transit, or the right of stoppage *in transitu*, and the effect of its successful exercise is to place the seller in the same position as if he had not parted with the goods, and so enable him to exercise his remedies of lien (*q.v.*) and re-sale, if the latter exists. The sale is not rescinded by the exercise of the right. The necessary ingredients of the right are (1) an unpaid seller, (2) an insolvent buyer, and (3) goods in course of transit.

An unpaid seller is one to whom the whole price has not been paid or tendered, or who has been conditionally paid by means of a bill of exchange or other negotiable instrument which has been subsequently dishonoured. “Seller” includes any person who is in the position of a seller, as, for instance, an agent of the seller to whom the bill of lading has been indorsed, or, a consignor or agent who has himself paid, or is directly responsible for, the price. A vendor who has sold on credit may stop the goods before the period of credit has expired, if the buyer becomes insolvent before the goods are delivered to him.

A buyer is deemed to be insolvent when he has either ceased to pay his debts in the ordinary course of business, or cannot pay his debts as they become due, whether he has committed an act of bankruptcy or not, and whether he has become a bankrupt or not. Whether a particular buyer is insolvent or not must be a question of fact in each particular case, and an unpaid vendor who has any doubts about the matter will probably stop the goods, and, if it turns out that the buyer is really solvent, then deliver the goods—though he will also be liable to pay any expenses incurred and, possibly, to pay damages. This risk, however, will generally be less than that of losing the goods and the price.

It is only while goods are in course of transit that the right of stoppage can be exercised, and it is therefore necessary to ascertain with precision when transit begins and when it ends. By virtue of section 45 of the Sale of Goods Act, 1893, goods are deemed to be in course of transit from the time when they are delivered to a carrier by land or water, or other bailee or custodian, for the purpose of transmission to the buyer, until the buyer, or his agent in that behalf, takes delivery of them from such carrier or other bailee or custodian. If the buyer or his agent obtains delivery of the goods before their arrival at the appointed destination, the transit is at an end, even though such delivery is obtained and possession of the goods taken against the carrier's will. If, after the arrival of the goods at the appointed destination, the carrier, etc., acknowledges to the buyer, or his agent, that he holds the goods on the buyer's behalf, the transit is ended, for the carrier then holds as a warehouseman, not as a carrier, but the transit is not ended if the buyer rejects the goods, and the carrier continues in possession of them, even though the seller has refused to take them back. If the

STORES ACCOUNTS.—These are the accounts kept in businesses where stores are purchased in bulk, and given out to various jobs or contracts as required, and it thus becomes necessary for the stores of various classes of materials to be well under control, the store-keeper being able to trace at any time exactly to which job or contract stores have been issued.

As goods are purchased, the invoice is checked with the goods by the store-keeper, and an entry made in a stores received book, ruled somewhat in the style of the example given on the previous page, which book may be made to take the place of the usual invoice book, the totals, as per the analysis columns, being posted to the debit of the accounts for the various materials in the stores ledger, the debit side of these accounts giving the detail for the total purchases posted to the debit of stores a/c in the nominal ledger.

On the issue of stores, which, of course, will only be done on a properly signed requisition note, an entry is made in the stores issued book, for example of which see *COST BOOK*, in which particulars are noted of the various jobs or contracts to which stores are issued, and analysis made in the same way as in the stores received book, the totals of the analysis columns being credited to the accounts in the stores ledgers for the respective classes of materials, the credits of the stores ledger accounts thus giving the details for the total which is credited to the stores account in the nominal ledger.

Thus, the stock on hand at any time is shown by the balance of stores account in the nominal ledger, and the stock of each particular class of materials on hand at any time is shown by the account for that class of materials in the stores ledger, with which the actual stock should agree on stock-taking.

STORES RECORDS.—(See *COST ACCOUNTS*.)

STOTINKI.—(See *FOREIGN MONEYS*—*BULGARIA*.)

STOWAGE.—Wages paid for stowing a ship.

STRADDLE.—This is an American expression used in the same sense as "put and call" (*qv*), but applicable when the price is the same, whether the stock is "put" or "called."

STRAITS SETTLEMENTS.—The British trading colonies, known as the Straits Settlements, comprise Singapore, Penang (including Province Wellesley and the Dindings) and Malacca. Singapore is described elsewhere. Penang is an island of 107 square miles, lying about 365 miles north of Singapore. On the opposite shore of the mainland, from which Penang is separated by a strait from 2 to 10 miles broad, is Province Wellesley, a strip of land about 9 miles wide by 45 miles long, and covering 288 square miles. Off the coast of Perak lie the small islands of Pangkor, which, together with a small strip of the opposite mainland, occupy an area of 265 square miles, and the whole is known as the Dindings. Malacca is situated on the western coast of the peninsula between Singapore and Penang, and has an area of about 659 square miles. The population of Penang is 141,000, and that of Malacca 124,000. Europeans make a small proportion of the population of the Straits Settlements, the number being little over 5,000. Malacca and Penang possess a hotter and drier climate than Singapore, though the rainfall is greater.

Penang succeeded Malacca as a trade centre, and has itself given place to Singapore. It possesses a fine harbour in Georgetown, and still carries on an

important trade with the mainland. Much Perak tin is exported from Penang. Its productions include cloves, coffee, sugar, and tropical fruits.

Wellesley Province has important tin-smelting works, and its alluvial plain yields pepper, sugar, rice, tapioca, betel-nuts, and spices.

Malacca produces tin, rice, rubber, tapioca, and spices. Its capital is the town of Malacca.

The Federated Malay States Railway System extends through Province Wellesley to Prai, and through Malacca territory to the town of Malacca, bullock-carts carry merchandise beyond the railways. The chief exports are tin, spices, gambier, gums, tapioca, sago, rattans, and copra; and the chief imports are rice, cotton piece goods, opium, fish, coal, tobacco, and petroleum. Most of the trade passes through Singapore and Penang, which are also important ports of call.

Closely connected with the Straits Settlements are the Federated Malay States of Perak, Selangor, Negri Sembilan, and Pahang, which are under British protection. These States adjoin each other, and the first three lie on the western side of the mountain chain forming the backbone of the Malay Peninsula, while Pahang lies on the eastern side. The total area of the four States is 27,623 square miles, and the population almost 1,280,000. Tin is one of the most important products.

Mails are despatched every Friday night via Italy, and the time of transit is about three weeks.

For map, see *EAST INDIES*.

STRANDED.—This is a term used in marine insurance (*qv*) to signify the running of a ship on a rock, a sandbank, or on shore, and allowing it to remain stationary there for any length of time.

STRAW.—Among the primary uses of the dried stalks of cereals, known as straw, are its employment as a bedding material, as a manure, as a material for packing, thatching, etc. It is also much used for doormats, mattresses, baskets, and in paper-making (*qv*). Large quantities are required for straw plating, which has long been an important industry in Italy, where Tuscany and Leghorn are still famous for their products. Since the introduction into England of the Tuscan variety of straw, the English trade has made rapid progress, but the tremendous shipments of common platts from Canton has seriously affected the straw plating industry of Luton and Bedford. The hat trade has, however, benefited, as these platts are all made up for re-exportation to Australia and the continent.

STRAWBERRIES.—The delicious, succulent fruit of all the species of the genus *Fragaria*. The wild strawberry is the *Fragaria vesca*, but there are numerous cultivated varieties grown in all temperate regions. The home-grown fruit is far superior to the imported product, and is highly esteemed as a dessert in June and July. Forced strawberries are always obtainable. There is a large demand for strawberry jam, for which the imported fruit is much used.

STRAW HATS.—(See *STRAW*.)

STRAW PLATING.—(See *STRAW*.)

STREEP.—(See *FOREIGN WEIGHTS AND MEASURES*—*HOLLAND*.)

STREET PRICES.—As the American time is behind that of Great Britain by several hours, the quotations of the prices ruling across the Atlantic are not known until after the London Stock Exchange has been closed. The dealers in American securities, therefore, are compelled to carry on their

business in the street, i. e., outside the Exchange, and hence the origin of the "street market" and "street prices."

STRENA.—(See FOREIGN WEIGHTS AND MEASURES—GREECE.)

STRICH.—(See FOREIGN WEIGHTS AND MEASURES—GERMANY.)

STRIKES.—A strike is a refusal by workers to continue work except under certain conditions which their employers are temporarily or permanently unable or unwilling to concede. A lock-out differs from a strike only in the fact that the employers take the initiative. They proffer certain terms to their workers and the workers decline to accept the terms. The employers thereupon close their works. In the one case the workers "give notice," in the other the employers terminate the engagement. A strike or a lock-out is best conceived as a business transaction. The workers have an article to sell—then labour, the employers have the means of purchasing this article—the claims which they have on the stock of useful things in existence, claims which constitute their capital. The sellers may refuse to accept a certain price, the buyers may be reluctant to offer more; and while the "higgling of the market" continues, no business is done. Workers fail to find customers for their commodity, and employers find the proffered commodity beyond their means. The notion of a monopoly is, besides, so attractive, and promises such unlimited scope for profit at the expense of the other bargainer, that masters and men seek by combinations to enforce exclusive dealing. In no other business transaction, however, are waiting and higgling attended with losses so serious as in the buying and selling of labour. For the time during which the worker is idle has for ever passed, his labour value for that time has not merely deteriorated, but is annihilated, and since capital is kept in existence not by hoarding, but by perpetual reproduction, the employer, too, loses, though not so disastrously; he suffers less, though his losses estimated in money are usually greater than the men's.

Moreover, on neither side is the ultimate gain likely to be a fair recompense for the temporary loss. To take a concrete example: suppose that by striking six weeks the men force employers to grant a 10 per cent. increase of wages, or 2s in the pound. It will need sixty weeks at the increased pay before the wages lost during the six weeks are made up; so say nothing of the distaste felt by the industrious man for the idleness which is not leisure, for the very unpleasant "play," of the doubt and fear as to the result of the contest, of the dread of others coming to take his place, or of the industry leaving his district, and other disagreeable aspects of a strike. But more than this. The 2s. increment is not worth nearly so much as 2s. during the six lean weeks would have been: the utility of the 2s. at the time of dearth, when they sufficed for the most urgent needs, when they meant at least food for wife and children is incomparably higher than in the time of comparative ease when they mean merely the addition of comforts or conveniences, and not of absolute necessities. It is the same when examined from the employer's point of view. He may beat down his workers' wages, or increase their hours, or "speed up" their work. But during the period when the relative endurances were being tested, his capital has been idle, his machinery has been depreciating

without return, and he is probably paying interest for borrowed capital which is unemployed; his rivals are taking his customers and the "goodwill" he has laboriously built up is vanishing; he is very likely losing the best of his staff of men, and he will, on the resumption of work, find added difficulties in organising. He is almost invariably regarded by public opinion as the oppressor, and public disapproval is keenly felt by all except the most callous.

It is commonly assumed that in bargaining about wages the worker is the "weaker" bargainer. The employer has a reserve force—he can afford to wait; the worker must utilise his time now or never—he cannot afford to wait. This is hardly the case. In these days of intense competition—not alone from trade rivals at home, but from abroad—the employer who "waits" finds that he has no longer command of the market which will enable him to employ his capital profitably. He will seek to avoid the danger of a loss of his market by an accumulation of stocks, and he gets some compensation by the sale of the accumulated stocks at an advanced price. But if the period of restriction continues, his customers get then wants supplied elsewhere; and he cannot, as the individual worker can, remove his undertaking without much loss. Mobile labour is the rule, immobile labour the exception, among the industrial population, but the capitalist has irrevocably "fixed" a great portion of his capital in immovable buildings and plant. In times, too, when the workers' combinations have "war chests" and "sustentation funds," and when they so readily assure to themselves popular sympathy and support, the advantages are not all on the employer's side. Nor is the assumption always justified that the worker is an isolated individual bargaining with a man who, by his possession of capital, is a host in himself. The solidarity is rather on the side of the men. The offended dignity of a single shunter in a railway yard caused, in the summer of 1910, a strike which for a while dislocated the traffic of the whole North-Eastern system and caused excessive annoyance and loss to the public generally. And the strike in the summer of 1911, which partially paralysed the whole industrial machine, was largely what is quietly enough called a "sympathetic strike." And there are indications that the "sympathetic strike" is likely to be one of the most important factors to be considered in the future. One has only to bear in mind the state of affairs in March, 1919, to recognise how closely connected the various trades have become in this respect, and how easy it might be with a perfected organisation to put a complete stoppage upon the economic life of the country. Worse than any other evil effects of strikes, and more harmful because impalpable and for the most part unuttered, is the ill will generated in the relations between master and men. Such must tell greatly against willing and effective co-operation. A strike tends to undermine the basis of a free government, which is a feeling of sympathy between governed and governors. For one apparently inevitable accompaniment of a strike is the presence of extra police or soldiers. The laws are obeyed through coercion, instead of being obeyed because the will and conscience of the people go with the regulations. A feeling is produced that subjects are distinct from government, and, in the stead of mutual goodwill, class hatred pervades the society. The natural and desirable

attitude is that of co-workers in the production of an article of trade; but to both parties, in the species of civil warfare which we call a strike or a lock-out within the industrial group, a great victory will be only a little less disastrous than a great defeat. Hence the anxious desire to find some method of avoiding stoppages while settling the disputes which are bound to occur now and again; for though there is harmony between the interests of masters and men in most things, in other points their interests are hostile to one another.

In the minds of many, strikes are the peculiar work of trade unions; but this idea is probably erroneous. The stronger and better unions are an influence for stability. Their large accumulated funds give them some of the feelings produced by the holding of property, the wish to avoid conflicts which would deplete their chests, and the reluctance to push matters to extremes. The leaders are men of experience, and are too cautious to make or to resist demands without carefully calculating the consequences of a possible conflict. They are shrewd enough to seize favourable conditions of trade to improve the lot of the workman. They would, indeed, be guilty of the most culpable negligence if they lacked such a knowledge of the circumstances of their branch of trade as not to know when to advance or to retreat. But there have been occasions during the last few years when the leaders have apparently lost all control over their followers, and where the men have acted in complete defiance of all the advice proffered to them. It is this spirit of defiance which has made the strike question so exceedingly anxious for all parties concerned. Strikes are undoubtedly more dangerous to those who resist them, now that they are conducted in a rational manner by capable and well-prepared combatants under responsible leaders, and the trial of strength may be more protracted.

It is true that the possession of a weapon of war may sometimes tempt to its use; and a desire to show one's strength, or to pay off grudges, or merely to advertise the union, may lead to a strike which otherwise would not have occurred. Thus, the great apologists for the unions, Mr. and Mrs. Webb, in their *History of Trade Unionism*, quote a very candid and rather cynical account of how one, eager to make his union a power in the town, "engineers" a strike. After a description of the starting of a new branch of the union by an energetic Unionist, comes the "Advance Movement." "Within the next three months the Branch Secretary finds that all that glitters is not gold. At least half of those who joined at the beginning have lapsed, and at times the branch looks like collapsing altogether, but by dint of much hard work, persuasion and, perhaps, the formation of friendships, it is kept together until a time of prosperity for the trade arrives. This is the Secretary's opportunity to make or break his lodge, and being a wise man he takes it. He puts a resolution on the agenda paper for the next lodge meeting in favour of an advance of wages, or a reduction of hours, or both. The next meeting carries the motion unanimously, and it at once becomes the talk of the whole trade in the town. Men flock down and join the club in order to assist and participate in the proposed improvements. Then the Secretary appeals to the General Executive for permission to ask for the advance. They consider the matter seriously, and want to know what proportion of the men in the town are members,

and how long they have been so; what is the feeling of the non-Unionists towards the proposed movement, and whether there is any local fund to support non-Unionists who come out, or buy off tramps and strangers who come to the town during the probable strike. All these questions being more or less satisfactorily answered, permission to seek the improvement is at length given, and now comes the Secretary's first taste of 'powder' in an official capacity." Negotiations with the employers break off, the men "down tools" on the Saturday the notices expire, and the strike is begun. "Then follows a period of intense excitement and hard work for the men's officials. The employers advertise in all directions for men at 'good wages' to take 'steady employment,' and counter advertisements are inserted giving notice of the strike. All the streets are closely picketed by men, who take it in turn to do duty in twos and threes outside a factory or workshop for so many hours each day; pickets are sent to meet all trains, and by dint of promises, bribes, and appeals to their 'manliness and brotherhood,' workmen who have been attracted to the town by the employer's advertisements are induced to depart. Perhaps a few 'blacks' may escape their vigilance and get into some shop. Every time they come out they are followed and urged to abandon their dirty calling and join their fellows in the good work. Some give way, and their fares are at once paid to the place whence they came. Subscription boxes and sheets are sent out to raise the funds necessary for the extra expenses, which must not be taken from the Society's funds. If the strike drags on for many weeks, delegates go from town to town addressing meetings of trade unions and trades councils, soliciting aid, and usually succeed in getting a good deal more than their own expenses, the surplus being remitted to the lodge. There are the non-Unionists who have come out on strike to be supported, 'blacks' to bribe and send away, printing and delivering of bills and placards to be paid for, and numerous other subsidiary expenses to be met, all of which must be defrayed from the local fund." But such causeless strikes are rare. The great Unions are now responsible bodies prepared to make contracts with the capitalists as well as to resist them, the pity is that the contracts are at times not carried out by the Unions owing to the refusal of the men to agree to their leaders' decisions. The long and painful boiler-makers' lock-out of 1910, which partially paralysed shipbuilding on the Clyde and Tyne, and several more recent strikes were due to the contravention, by detached groups of men, of agreements entered into on their behalf. In the 1910 trouble the agreement had been to submit all disputes to discussion and arbitration before actual stoppage of work, and the *Times* hailed the agreement as heralding a period of industrial peace; but many of the members of the Unions have yet to learn that loyalty to leaders is a first essential of a free democracy. Change leaders if need be, but while kept let them be loyally supported. The railway strike of 1911 was largely a case of men coercing, not following, their officials. Sectional and unauthorised strikes have become common during and since the war.

All being agreed on the evils of internecine conflicts between Capital and Labour, various plans have been devised of avoiding them, and some

success has attended them. Conciliation Boards, permanent joint committees of men and masters, strive by friendly discussion to settle disputes as they arise. The number known to the Board of Trade is continually increasing, and these Boards now cover over 2,000,000 workpeople. Such talks must throw light on the question in dispute, and so prevent unjustifiable demands on either side, they bring prominently out the fact that both parties are interested in the success of the trade—the harmony as well as conflict of interests; they teach mutual respect and goodwill, and they make clear the chances of success or failure if conflict should occur. The great and good man Bishop Westcott thought highly of conciliation: "It is to such Boards we must look for the sure development of intelligence and good will which will not only bring settlement to disputes, but also prepare the way for that hearty co-operation of intelligence, capital, and labour, for which we look. This must rest upon a free personal devotion to a common cause. Compulsion is wholly ineffective in such a case." A commission, known as the Whitley Commission, has reported in favour of setting up national, divisional, and shop councils of employers and employed in various trades, and the proposals have been adopted. Whitley Councils exist in many trades to-day and promise well.

The submitting of a dispute to a third party to whose decision men and masters bind themselves to agree is more difficult to procure than conciliation. Each party to the dispute must resign his freedom of action, and each may conceive that it has an "irreducible minimum" claim, less than which it cannot accept. Arbitration emphasises too strongly the antagonism of interests, in a Conciliating Board the parties seek to persuade each other, and in order to do so endeavour to enlist the goodwill of their colleagues on the Board, in arbitration, however, the parties contend as advocates of opposing claims before a third party, and they naturally put their cases as strongly as they may. Arbitration is, of course, more immediately effective than conciliation, for a decision is obtained, it is customary, indeed, for work to be resumed as soon as arbitration has been accepted, and pending the arbitrator's decision. But it may be questioned whether it is as effective in the long run, and unwilling submission may leave the old grievance intact, so that the dispute is not settled, but simply postponed.

Compulsory arbitration, such as exists in New Zealand, has done good work, but there a strong idea of responsibility exists in the Unions, and they have sufficient property to make them hesitate to refuse an arbitrator's decision, and so incur the rather large fine (£500) imposed. Elaborate precautions are taken to ensure an arbitrator perfectly neutral and perfectly free from suspicion of corruption, so that industrial peace has, with some slight exceptions, been maintained. In other countries, the results might be less admirable. The decision could always be enforced against the employer; he can be "got at" by the law, and if he kicks against the award he is penalised; but how penalise the recalcitrant workman? He is probably a "man of straw," from whom damages could not be obtained. The Unionists could hardly be imprisoned in a body; and even if they are compelled to labour against their will, they would resemble slaves, and would render the inefficient service of slaves. Compulsory arbitration must be one-sided

if we can enforce it against only one of the parties.

Industrial courts have been set up under Act of Parliament for the purpose of inquiring into trade disputes. (See INDUSTRIAL COURTS ACT.)

A more radical attempt to remove friction between masters and men is that whereby in a manner the men are made their own employers. Shares either ranking in all respects with those of ordinary shareholders, as in the late Lord Furness's schemes, or shares solely for employees, as in Lord Leverhulme's co-partnership scheme, are allotted to the workers. These are either purchased at a lower rate than the outside public pays or by easy instalments, or given as rewards for good service, and they rank with other shares for dividend. Where the working shareholders have not a controlling voice in the management, they have at least a right to be consulted, and their chosen representatives form, with the directors, a conciliation board. The employers believe that they will be more than recompensed for their loss on the sale of the shares by their securing the devotion and good feeling of their workers. In one well-known scheme, partnership shares are distributed to all employees of a certain standing up to a defined maximum. No payment is taken for these, but the recipient signs an undertaking not to waste time, labour, material, or money in the discharge of his duties, but loyally and faithfully to further the interests of the firm to the best of his skill and ability. (See CO-PARTNERSHIP, PROFIT SHARING, WORKS COMMITTEES.)

STRONTIUM.—A metallic element of yellowish colour, belonging to the calcium family. It occurs in the mineral strontianite (first found near Strontian in Argyllshire) and in celestine (*q.v.*). Of its compounds, strontium nitrate and strontium hydroxide are best known. The former burns with a characteristic red flame and is used in pyrotechnics, and the latter is employed in the manufacture of beetroot sugar.

STROPHANTHUS SEEDS.—The seeds of the tropical plant *Strophanthus hispidus*. They are imported from West Africa for the sake of their bitter principle strophanthin, which resembles digitalin in its medicinal action. The drug obtained from these seeds is used as a cardiac stimulant in the same way as digitalis (*q.v.*), but care is required in its administration, as it is extremely poisonous.

STRYCHNINE.—A poisonous alkaloid obtained from the seeds of the *Strychnos Nux Vomica* (*q.v.*), a shrub found in India, Cochun China, and the East Indies. It occurs in small, colourless, intensely bitter crystals, which are slightly soluble in water. When administered in minute doses it is valuable as a cardiac stimulant and as a stomachic, but it acts as a virulent poison if taken in large quantities, causing convulsions, followed by death. Its chemical symbol is $C_{21}H_{22}N_2O_2$.

STUBS.—This is an American expression used for the counterfoils of cheques.

STUCCO.—A mixture consisting of three or four parts of sand to one part of hydraulic lime. It is used as an external covering to buildings, generally to those built of brick.

STURGEON.—A fish found only in the temperate regions of the northern hemisphere. It belongs to the Ganoid genus. The common sturgeon is sometimes found in the Severn and other British rivers, and is a royal perquisite. The sturgeon is most plentiful at the mouth of the Volga, and Russia does

an important trade in caviare (*q v*) and isinglass (*q v*), which are the products of the roe and sounds respectively. Astrakhan is the chief centre of the trade.

SUB-AGENT.—A person employed by an agent to transact the whole or a portion of the business entrusted to the agent. (See AGENCY.)

SUB JUDICE.—The literal meaning of this Latin phrase is "under a judge." It signifies that certain proceedings are still pending and under the consideration of a court of justice, and that no final decision has as yet been given. It is a contempt of court (*q v*) to criticise in any way matters so long as they are *sub judice*, on the ground that such criticism might tend to a miscarriage of justice.

SUB-LEASE.—A lease made by a lessee to another person.

SUB-LET.—A letting by a tenant to another person.

SUBMISSION TO ARBITRATION.—(See ARBITRATION.)

SUBORNATION OF PERJURY.—The offence of persuading a person to give false evidence in a judicial or other proceeding. (See PERJURY.)

SUBPOENA.—This term is compounded of two Latin words, *sub* and *poena*, which signify "under a penalty." It has now come to be applied to a writ (so called from its first two words), which commands a person to attend to give testimony in a court of justice, and names a penalty to which the person summoned is liable in case of disobedience. A subpoena is either for the simple purpose of commanding a witness to attend to give evidence (*ad testificandum*), or to produce certain documents (*duces tecum*). No penalty can be imposed unless the witness at the time of being served with the subpoena receives a sum of money to defray his necessary expenses of attending court.

Every subpoena other than a subpoena *duces tecum* may contain any number of names, where necessary or required, but a subpoena *duces tecum* cannot contain more than three names, and the party suing out the same is at liberty to issue a subpoena for each person if it is deemed necessary or desirable to do so.

The subpoena must be served within twelve weeks of the date of the writ, and it remains in force, except when issued from the Crown office or in an action to be tried at Assizes, from the date of its issue until the trial of the action or matter in which it is issued. If a trial takes place and the jury disagree, it seems that fresh subpoenas must be issued for the second trial.

SUBROGATION.—This is a doctrine under which a person who is insured against fire and marine losses is compelled to give up to the insurer any rights which arise upon the occurrence of the risk, and are independent of the insurance. It thus prevents the insured from obtaining a species of double compensation, or from being placed in a more advantageous position than he ought to be through the loss which has arisen, when he is simply entitled, by the terms of his contract of indemnity, to recover just as much as he has actually lost. A good example of the doctrine is supplied by the case of *Cashlain v. Preston*, 1883, 11 Q B D 380. In that case a vendor had contracted with a purchaser for the sale of a house at a specified sum. The house had been insured by the vendor against fire, but the contract of sale contained no reference to the insurance. After the date of the

contract, but before the date fixed for the completion of the sale, the house was damaged by fire, and the insurance company paid the amount of the damage to the vendor. The purchase was afterwards completed and the purchaser paid the agreed purchase money without any deduction on account of the damage caused by the fire. It was held that the vendor, having suffered no loss on the sale of the house, was bound to return the insurance money to the company.

The word is also met with in the banking world. Thus, if a banker lends money to a company, which has no power to borrow, he cannot recover from the company, since the borrowing is an act *ultra vires* (*q v*); *i e.*, he is entitled to occupy the position of such creditors of the company as were paid out of the money he advanced to the company and to recover from the company the debts of the creditors so paid.

Again, where a guarantor repays the full debt due to a banker on the account for which he is surety, he is subrogated to the rights of the banker, *i e.*, he is entitled to the banker's right to sue the debtor, or to claim against the debtor's estate, and to the benefit of any securities which the banker held. (See GUARANTEE.)

SUBSCRIBED CAPITAL.—The amount of capital subscribed or guaranteed by shareholders in a public joint stock company. Generally the subscribed capital is not paid at once, but only a certain portion is paid on allotment and the balance by "calls," either at stated intervals, or as may be required. (See MEMORANDUM OF ASSOCIATION.)

SUBSIDY.—An aid in money given by one person to another, or a pecuniary grant or assistance given by a State.

SUBSTITUTED SERVICE.—The means by which an action may be commenced and carried on when the defendant evades service of the writ. (See WRIT.)

SUB-TENANT.—A tenant who hires or leases houses or land from a person who is himself a tenant.

SUCCESSION DUTY.—Succession duty is, speaking briefly, the duty payable on the interest which a person takes as successor to a deceased person on real or leasehold property in the United Kingdom, or on legacies charged upon the proceeds of sale of real estate of a person who died domiciled in this country, irrespective of the situation of the property, and also on personal property included in a settlement, whether the property is or is not situated in the United Kingdom. The duty is a tax imposed on the gratuitous acquisition of property which passes on the death of any person by means of a transfer (called either a disposition or a devolution) from one person to another person. Property chargeable with this tax is called a succession.⁹

Succession duty was first levied by the Succession Duty Act, 1853. A succession occurs where one person becomes beneficially entitled to or interested in property upon the death of another. The person becoming entitled is called "the successor," and the person from whom the title or interest is derived is known as the "predecessor." Thus if X by deed settles property on Y for Y's life, and after Y's death on Z, then when Y dies a succession occurs, and Z succeeds to the property of his predecessor Y, and equally if X dies without leaving a will, X's heir-at-law succeeds to X's real property. Before 1853 no tax was levied on real property upon a succession after a death. The property chargeable

In the High Court of Justice.

KING'S BENCH DIVISION.

G. 1

Between

Subpœna ad Test
(General Form).

Joseph Brown

PLAINTIFF

AND

Alfred Simpson,

Thomas Smith and

John Thompson

DEFENDANTS

For
Witnesses.
(Fee 5s. for every three Witnesses.)

George the Fifth, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas King, Defender of the Faith, To *James Douglas Robinson, of 397 Hayland Road, Smithtown, in the County of Blankshire* Greeting. WE COMMAND YOU to attend before *our Justices assigned to take the Assizes in and for the County of Blankshire to be holden at Winterstown on Friday, the eighth day of November, 19* at the hour of *10 30* in the *fore-*noon, and so from day to day during the said Assizes until the above Cause is tried, to give evidence on behalf of the *above-named Defendants*

WITNESS, Lord High
Chancellor of Great Britain, the *fifth* day of *November*, in the
year of Our Lord One thousand nine hundred and

N.B.—Notice will be given to you of the day on which your attendance will be required.

{OVER

This Writ was issued by *Steele & Swift,*

of *39 and 40 White Street, Smithtown,*

in the County of *Blankshire*

~~Agent for~~

~~et~~

~~in the County of~~

Solicitors for the *Defendants.*

with the duty is (to put it into more technical language than is used above)—

(a) All realty and chattels real in the United Kingdom

(b) All personality which is not subject to legacy duty (*qv*), which the beneficiary claims under English, Scotch, or Irish law. (The result of this is to render liable to succession duty a settlement, whether by will or deed, of property which is vested in trustees who are resident in the United Kingdom, made by any person, whether the settlor is domiciled in the United Kingdom or abroad.)

(c) Money arising under a trust for sale of realty under a will, or under a trust for sale, with a direction to re-invest in Government or real securities or land.

A succession is liable to the duty even if an interval elapses between the death and the succession, or if the interest taken is only reversionary or contingent. In the latter case, however, the date of payment of the duty is put off until the successor gets possession of the property.

The rates of succession duty are now as follows, *viz.*, where the successor is the lineal issue or lineal ancestor of the predecessor, or the husband or wife of the predecessor, the duty is 1 per cent. on the value of the succession; if a brother or sister, or the issue of a brother or sister, or the husbands or wives of such persons, 3 per cent.; other persons of more distant relationship, or strangers in blood, 10 per cent.

This present rate of duty is fixed by the Finance (1909-1910) Act, 1910, which provides, by section 58 as follows:—

"(1) Any legacy or succession duty which, under the Stamp Act, 1851, or the Succession Duty Act, 1853, or any other Act, is payable at the rate of 3 per cent., shall be payable at the rate of 5 per cent., and any legacy or succession duty which under the said Acts is payable at the rate of 5 per cent. or 6 per cent., shall be payable at the rate of 10 per cent. on the amount or value of the legacy or succession."

"(2) The legacy and succession duty payable at the rate of 1 per cent. on the amount or value of any legacy or succession under the Stamp Act, 1851, and the Succession Duty Act, 1853, or any other Act, shall be levied and paid, notwithstanding any repeal effected by or anything contained in the principal Act (*i.e.*, the Finance Act, 1891) (except sub-sect. (3) of section 16 thereof), or any other Act, and the duty shall also be levied and paid in cases where the person taking the legacy or succession is the husband or wife of the testator, intestate, or predecessor, as in cases where the person taking the legacy or succession is a lineal ancestor or descendant of the testator, intestate, or predecessor."

Provided that the duty shall not be levied—

"(a) Where the principal value of the property passing on the death of the deceased in respect of which estate duty is payable (other than property in which the deceased never had an interest, and property of which the deceased never was competent to dispose and which on his death passes to persons other than the husband or wife or a lineal ancestor or descendant of the deceased), does not exceed £15,000, whatever may be the value of the legacy or succession; or

"(b) Where the amount or value of the legacy or succession, together with any other

legacies or successions derived by the same person from the testator, intestate, or predecessor, does not exceed £1,000, whatever may be the principal value of such property; or

"(c) Where the person taking the legacy or succession is the widow or a child under the age of twenty-one years of the testator, intestate, or predecessor, and the amount or value of the legacy or succession, together with any other legacies or successions derived by the same person from the testator, intestate, or predecessor, does not exceed £2,000, whatever may be the principal value of such property."

"(3) In this section, the expression 'deceased' means, in the case of a legacy, the testator (including a person making a donation *mortis causa*), or intestate, and, in the case of a succession arising through devolution by law, the person on whose death the succession arises, and, in the case of a succession arising under a disposition, the person on whose death the first succession thereunder arises, and the expression 'legacy' includes residue and share of residue."

"(4) This section shall take effect in the case of legacy duty only where the testator by whose will the legacy is given, or the intestate on whose death the legacy duty is payable, dies on or after the 30th day of April, 1909, and, in the case of a succession arising through devolution by law, only where the succession arises on or after that date, and in the case of a succession arising under a disposition, only if the first succession under the disposition arises on or after that date."

The method of valuation of real property depends on whether the succession arises on a death before or since August 2nd, 1894. As to deaths since that date, an interest of which the successor is competent to dispose is valued in the same way as for estate duty, *i.e.*, on the principal value or market price at the death. But a limited interest is valued under the Succession Duty Act, 1853, *e.g.*, if a person aged sixty succeed to property worth £100 a year, he pays succession duty on £972 18. Deductions for agricultural land are allowed as in the case of estate duty. As regards personal property successors who are absolutely entitled pay according to the principal value; successors to limited interests pay on the principal value of an annuity or yearly income, according to fixed tables. There are certain deductions and allowances:—

(1) Land which yields no income when the successor becomes entitled to possession has no annual value.

(2) Necessary outgoings are allowed for in estimating the annual value of lands yielding an income not of a fluctuating character.

(3) Manors, mines, and other land yielding a fluctuating income are valued after deducting necessary outgoings on the average income for a period of years.

(4) Fines, reliefs, and incidents of tenure which the successor has to pay (*e.g.*, on copyhold succession) are deducted.

(5) Allowance is made for encumbrances or permanent improvements effected by the successor before going into possession.

(6) Allowance is made for contingencies which may alter or determine the successor's interest, but not till they occur.

(7) When a donee of a general power exercises it so as to acquire a succession in his own favour, duty

already paid by the donee in respect of a limited interest is allowed for

(8) In the case of successions to realty since 1894, in favour of a person competent to dispose of the property, allowance is made (a) for estate duty payable thereon and the expense of raising and paying it, (b) for the principal value of encumbrances not made by the successor

The duty is payable on the capital value of the succession. It is a personal debt due to the Crown, and is a first charge on the succession, or if the property has been sold, on any property purchased with the money received from the sale. If property has been given for public or charitable purposes, the full duty of 10 per cent. on the principal value is payable as soon as the property falls into possession. In other cases as regards realty, payment may be made at once or by eight equal yearly payments, or sixteen equal half-yearly payments, at the option of the successor, interest being charged upon the succession duty left unpaid at the rate of 3 per cent. Where a successor who has an interest, of which he is not competent to dispose, dies before he has paid all his instalments, his executors are relieved from further payment. As regards personality, if the successor is absolutely entitled, the whole duty is payable immediately on the succession, but if the successor's interest is during his life or for a term of years, the duty is payable by four yearly instalments, which commence after the termination of the first year after he has taken possession, but if the successor dies before all the instalments became due, a re-calculation is made in accordance with the actual duration of the succession

Exemptions. The following is a brief summary of the cases in which there is exemption from succession duty—

Adowson. A successor is not chargeable respecting an adowson comprised in his succession unless a sale is effected thereof, by or in concert with him for money or its equivalent

Art. Any works of art (including chattels, etc., recognised by the Treasury as works of art) until sold or disposed of

Bond, etc. Respecting payment of any consideration after demise, if absolute is exempt, but not otherwise

Charity. Bequests to Irish charities are exempted

Chattels. If settled in such manner that they cannot be disposed of. But, if eventually sold, duty is payable

Child (Succession to). If under 21, and the succession does not exceed £2,000

Legacy Duty. Where legacy duty has been paid, succession duty is not payable

Life Insurance. Sums assured are exempt where they fall to a person (other than the assured) who paid the premiums

Lineal Issue. Successors such as husband, wife, children, etc., are not liable if the estate value (for estate duty purposes) does not exceed £15,000

Money Left. If the deceased leaves money for the payment of the duty, such money is not chargeable

Net Value. A successor is not liable if the net estate value does not exceed £1,000, that is where the property, etc., under the will or other such document does not exceed such sum

Personal Estate. Where the deceased's personal estate does not exceed £100 gross value

Royal Family. Matters bequeathed to the Royal Family

Timber. Any wood, etc., is exempt from duty unless sold.

Total Succession. Any succession including everything, and obtained from the same deceased person less than £100

Transactions. Any transaction for money consideration

Treasury. Where the Treasury considers any article, work, etc., of sufficient artistic or scientific interest, etc., such matters are exempt until sold.

Widow. If the succession does not exceed £2,000.

Persons who fail to give notice when there is a succession, and succession duty is payable, render themselves liable to heavy penalties; and if any person for the purpose of obtaining any allowance, reduction, rebate, or repayment in respect of any duty under the Finance Act, 1910, either for himself or any other person, or in any return made with reference to any duty under that Act, knowingly makes any false statement or false representation, he is liable, on summary conviction, to imprisonment for a term not exceeding six months with hard labour. (See ESTATE DUTY, LEGACY DUTY)

SUCRÉ.—(See FOREIGN MONETIES—ECUADOR.)

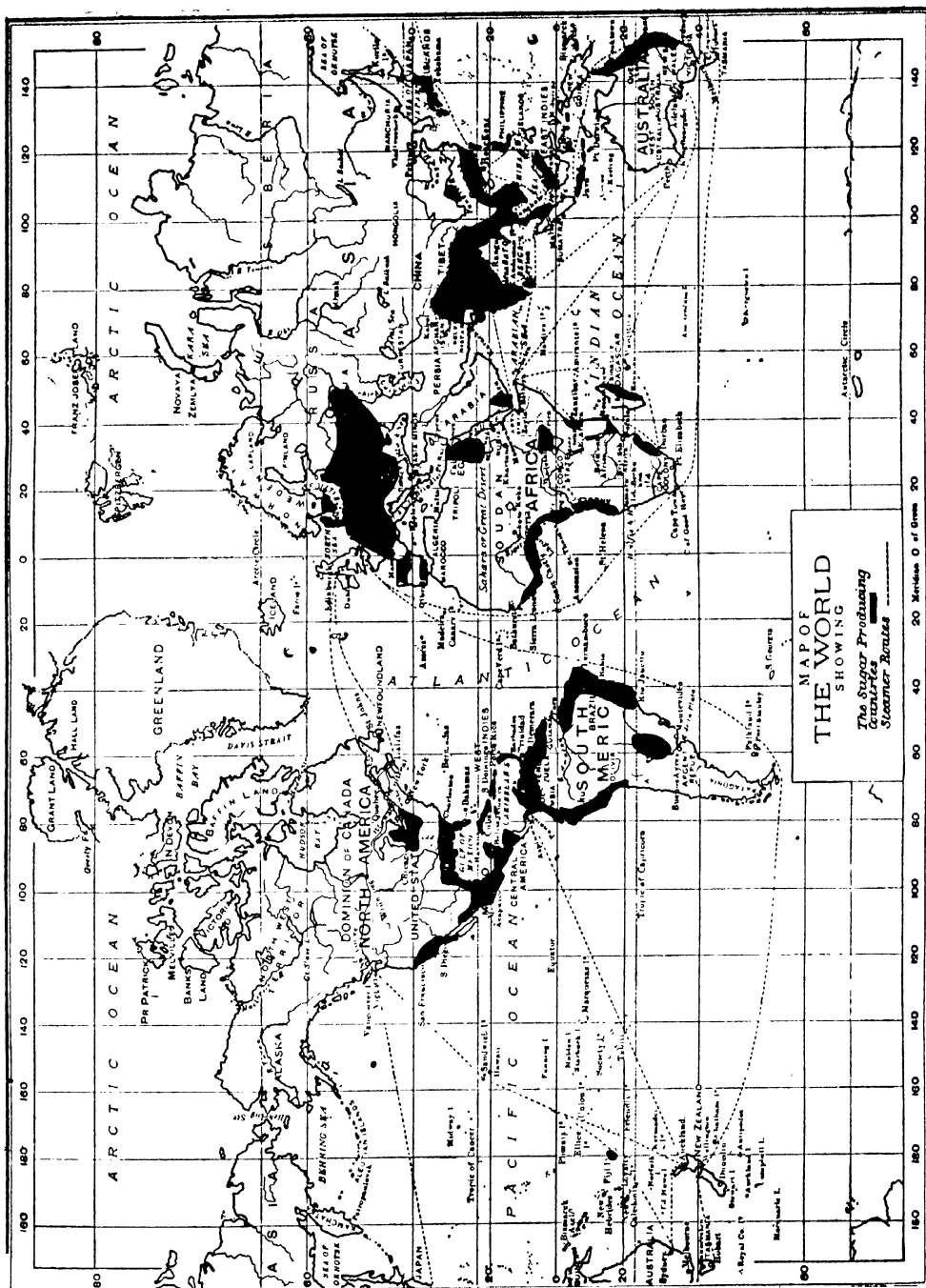
SUDAN (ANGLO-EGYPTIAN).—**Position, Area, and Population.** In 1882 the rule of Egypt in the Sudan was interrupted by the revolt of the Mahdi, a fanatical Moslem prophet. The Mahdi and his successor the Khalifa ruled tyrannously for about sixteen years, and the population of the country was rapidly reduced. When Britain had re-organised Egypt and given it railways, organised irrigation, agriculture, order, and sound finances, attention was concentrated on the Sudan. The Anglo-Egyptian army commenced operations in 1896 for the recovery of the lost provinces, and at Omdurman, in 1898, the overthrow of the Khalifa was completed. A joint Anglo-Egyptian Government was established at Khartoum in January, 1899. The country is divided into fifteen provinces, each under a governor. The Sudan extends southwards from the Egyptian boundary to Uganda and the Belgian Congo, a distance of about 1,200 miles. Eastwards it is bounded by the lofty tableland of Abyssinia and the Red Sea, and westwards it stretches to the Wadai frontier, but the western limit is ill-defined. Its area is about 1,014,400 square miles, and its population is roughly estimated at three and a-half millions. The Sudanese natives have darker skins, and less fine features than the Egyptians, and mingled with them are many negroes

Coast-Line. The Sudan has a short coast line on the Red Sea, and two small ports, Suakin and Port Sudan

Build. Four regions may be distinguished: (1) The swampy, low regions round the White Nile, Bahr-el-Ghazal and Sobat in the south; (2) the slopes drained by these rivers, comprising rich savannah land; (3) the bordering deserts; and (4) the flood valley of the Nile in the north

Climate. The whole region lies in the tropics, and the average mean annual temperature approaches 80° F. South of 10° north latitude, copious summer rains fall; northwards the rainfall decreases, and agriculture becomes dependent on irrigation. Vast tracts in the north receive no rain.

Production and Industries. Agriculture is the principal occupation, but the methods are primitive.



BEET SUGAR PRODUCED IN THE AREAS LYING NORTH OF LAT. 40° N., AND ALSO NEAR SAN FRANCISCO

The effects of the Dervish oppression are still seen in the lack of labour, and the wide tracts which have gone out of cultivation. Irrigation is chiefly by hand and animal power. The northern provinces show signs of returning prosperity, but the vast natural resources of the south need development. Among the agricultural productions are dhurra, millet, sesame, pulse, and cereals. In the south, where ivory and rubber are now the chief products, cotton, oil-seeds, indigo, maize, rice, and wheat might be raised in important quantities. Cotton of high quality has been grown in this region, and the province of Dongola will probably become an important cotton-producing area in the future.

Forestry. Along the White Nile the forests contain ebony trees, gum-yielding acacias, bamboos, and rubber creepers. The finest gum comes from Kordofan, and excellent rubber from the Bahr-el-Ghazal region. Vast forests lining the banks of the Blue Nile and its affluents are rich in fibres and tanning material.

Mining may develop in the future; iron is known to be plentiful.

The Pastoral Industry of the savannah lands and the margins of the desert supplies an important export of hides and skins.

Communications. The navigation of the Nile is impeded by the cataracts, but from the falls at Lado to Khartoum the river is navigable, though sometimes obstructed by the sudd. A railway runs from the second cataract at Wadi Halfa across the desert to Abu Hamed, and thence to Berber and Khartoum. Another railway proceeds from Berber to Port Sudan and Suakin. The main Sudan line forms part of the Cape to Cairo route.

Commerce. Trade is conducted by caravan, rail, and river with Egypt. The chief exports are gums, hides, skins, ivory, and ostrich feathers; and the chief imports are cotton textiles, water-raising appliances, and simple agricultural implements and machinery.

Trade Centres. The chief trade centres are Khartoum (16,000) and Omdurman (84,000).

Khartoum, the capital, stands at the junction of the White and Blue Niles. It is a route and railway centre, and the key of the Eastern Sudan.

Adurman, near Khartoum, was the old Dervish capital.

Other centres are *Berber* and *Wadi Halfa* (railway towns), and *Suakin* and *Port Sudan* (small ports).

Mails are despatched weekly to Khartoum, the time of transit being from $9\frac{1}{2}$ to $11\frac{1}{2}$ days.

For map, see EGYPT.

SUE.—To prosecute a suit at law for the payment of a debt, or for the recovery of damages or other relief for a loss suffered.

SUET.—The solid, fatty matter found in masses about the intestines of sheep and cattle. Both beef and mutton suet are used in cooking, and the latter is also employed instead of lard for preserving potted meats from the action of the air. In addition, it has medicinal value, being used in the preparation of ointments and plasters. The large quantities of suet produced in Great Britain are insufficient to meet the demand, and are supplemented by extensive imports from South America. From suet, tallow and margarine are prepared.

SUFFERANCE WHARF.—This is a wharf licensed by the Custom House, and at which an officer attends, where goods which are liable to

duty may be landed or stored until the duty chargeable upon them has been paid.

SUGAR.—A generic name for a class of carbohydrates occurring in the juices of many plants. The domestic article is prepared almost exclusively from the sugar cane and the beetroot. The former is a tall tropical grass, the *Saccharum officinarum*, of which the stem contains 15 per cent. of sugar. The juice is extracted by crushing the stems between heavy rollers. It is then treated with lime, heated, and skimmed, the last two processes being repeated until the mixture is free from scum. The thick syrup which remains is passed into shallow pans. The crystalline mass which forms as the syrup cools is the raw sugar, and the dark substance which drains off is the molasses. The mechanical contrivances vary in different countries, and the nature of the product varies with them. In the case of beet sugar, the root is crushed or sliced in warm water, and the solution is then clarified, filtered, and boiled down, the refuse forming a useful cattle food. The refining process is practically the same for both cane and beet sugar. The raw sugar is dissolved and filtered to remove impurities. It is then decolourised by means of animal charcoal, and the purified syrup is run into vacuum pans, where it is evaporated until crystals are formed. These crystals are the sugar of commerce, though further treatment is necessary to produce the various grades. The uncrystallisable syrup left in refining cane sugar is converted into the well-known "golden syrup," while that which forms the residue of the beet product is worked up for the salts it contains, or used as a source of alcohol. The manufacture of beet sugar has long been an important industry of France, Germany, Austria, and Russia. Cane sugar, however, remains the superior article. It is a valuable food stuff, and is generally absolutely free from adulteration.

SUI JURIS.—This is a Latin expression which although not capable of exact translation, signifies that a person has full legal capacity to act in his own behalf without the intervention of any other party. This is *prima facie* the case with all persons who are not infants or lunatics. The term comes from Roman law as showing the legal status of a person. Every person is either *alieni juris* or *sui juris*, *i.e.*, subject to the control of an ancestor or freed from his control. The latter status could only be brought about upon the death of the ancestor or upon emancipation.

SUINT.—Also known as wool fat, being the natural grease obtained from sheep's wool during the process of washing. The home supplies are supplemented by imports from Australia. It is used in the manufacture of the cheaper kinds of soap, and, when purified, is known as lanoline (*qv*).

SULPHONAL.—A compound occurring in the form of colourless, odourless crystals. It is of complex composition. Its use in medicine as an opiate is of comparatively recent date.

SULPHUR.—A non-metallic element found in a native state in regions of volcanic activity or derived from iron pyrites (sulphide). It is used in the manufacture of gunpowder, sulphuric acid and vulcanite. Native sulphur is mined principally in the United States (Texas, Louisiana), Sicily, Japan and Spain. The sulphur deposits of Iceland, at one time of much importance, are now neglected. Transport difficulties have had much to do with the abandonment. Pyrites has a wide distribution.

Large quantities are mined in Spain, the United States, Italy, Norway, Canada, France, Portugal, Japan, and Hungary. Copper ores are frequently associated with the pyrites and copper is produced as a by-product. With many metals, it forms sulphides, which are used as ores for the extraction of the metals, and not as sources of sulphur. The principal sulphides are those of lead, zinc, and mercury, known as galena (*qv*), blende (*qv*), and cinnabar (*qv*) respectively. The usual method adopted in extracting sulphur is to pile the native substance in a heap on sloping ground. Sulphur refuse is placed on top of the heap and is then ignited. The remainder, being melted by the heat, trickles down to the moulds which have been placed at the bottom of the slope for its reception. The crude sulphur is exported, and on arriving in this country it is subjected to distillation, the vapour being condensed in brickwork chambers, forming a fine crystalline powder, called flowers of sulphur. When the powder is heated it melts, and is cast into thick sticks known commercially as brimstone (*qv*), and as roll sulphur. Sulphur is a brittle solid, yellow in colour, and practically devoid of taste or smell. It is soluble in bisulphide of carbon, oil of turpentine, heated alcohol, and benzol, but is insoluble in water. It melts at 115°C . and forms an amber-coloured fluid, which darkens and thickens as the temperature is raised. When heated to 260°C . it burns with a light purple flame, forming suffocating fumes. It boils at 446°C ., and gives off a reddish gas. Sulphur is used in a variety of ways, *e.g.*, for the manufacture of sulphuric acid, gunpowder, lucifer matches, vulcanite, etc. It is also employed in medicine as an aperient, and for purposes of fumigation. Among its compounds, one of the most important is hydrogen sulphide, also known as sulphuretted hydrogen. This is a colourless, poisonous gas, with a most objectionable odour. It occurs naturally, in minute quantities, in certain mineral waters, which are prescribed on that account in cases of skin disease, rheumatism, etc. This compound is also much employed in chemistry.

SULPHURIC ACID.—A brownish, heavy, oily liquid, known also as oil of vitriol, and as hydrogen sulphate. It is manufactured chiefly from sulphur dioxide. Its production is an important chemical industry in Great Britain, thousands of tons being manufactured weekly in the south of Lancashire alone. Germany, the United States, and France are also large producers, and after these come Austria, Italy, Belgium, Russia, and Japan. The demand is enormous, the acid being required in large quantities for the manufacture of soda ash (*qv*) by the Leblanc process, and for numerous other industries, *e.g.*, calico-printing, dyeing, bleaching, galvanising, candle-making, etc. Finally, this acid forms a most important series of salts, known as sulphates. Its chemical symbol is H_2SO_4 .

SULTANAS.—Small seedless raisins imported from Turkey. (See RAISINS.)

SUMACH.—The name given to a tree of South Europe belonging to the genus *Rhus*. The bark is very rich in tannin, and is employed in the preparation of the lighter kinds of leather. It is also used as a mordant in cotton-printing. Italy is the chief exporting country.

SUMMARY ADMINISTRATION.—(See SMALL BANKRUPTCIES.)

SUMMARY, ANNUAL.—(See ANNUAL SUMMARY.)

SUMMARY JUDGMENT.—When an action at law runs its ordinary course, considerable delay

may be occasioned if the defendant enters an appearance to the writ. It is to avoid this delay that the procedure known as Order XIV (*qv*) was introduced, by means of which a plaintiff can, under certain circumstances, obtain speedy, or, as it is often called, summary judgment. Of course, if the defendant fails to appear to the writ, judgment may, in most cases, be signed at the end of eight days after service upon him.

SUMMARY JURISDICTION.—A court of summary jurisdiction is that which is most popularly known as a police court or a petty sessional court. In cases of a simple character are disposed of at once, without the intervention of a jury. The present courts of summary jurisdiction were established in 1849 by the Summary Jurisdiction Act, 1848. There have been several amending Acts passed since that date, but it is unnecessary to refer to the same in detail. Every court is presided over by two or more justices of the peace, or, in the case of boroughs, by two or more justices of the peace or by a stipendiary magistrate, if the borough has such an official. In some few matters one justice alone is empowered to act. The work of courts of summary jurisdiction has become extremely heavy in recent years. Not only do they deal with criminal and quasi-criminal offences of a more or less trivial character, but they hold all preliminary inquiries in the case of graver offences, and acting upon this preliminary inquiry they commit a prisoner for trial or acquit him, as the case may be. The commitment is to the assizes or quarter sessions.

Many matters connected with local government are now dealt with by courts of summary jurisdiction, and it would appear that the area of their duties will expand in the future. In most boroughs, as well as in London, courts of summary jurisdiction sit every day in the year, except Sundays, Christmas Day, Good Friday, and any day appointed as a public fast or day of thanksgiving. In county districts the courts sit at certain stated periods. There have been established, quite recently, children's courts, so that juvenile offenders may not be brought into contact with adult criminals. A court of summary jurisdiction is not a court of record (*qv*). A stipendiary or the justices, as the case may be, has or have no power to commit a person for contempt of court. In cases of misbehaviour the only course possible is to expel the offender from the court.

SUMMER TIME.—(See DAYLIGHT SAVING.)

SUMMONS.—This is an order of a court of justice calling upon the person upon whom it is served to attend for the purpose of inquiring into matters concerning which complaint has been made. In criminal matters or in those matters which are dealt with by a court of summary jurisdiction (*qv*), a summons is always issued unless the alleged offender has been already arrested, or unless the charge is of so serious a character that a warrant is issued at once, instead of a summons. The summons states in brief the nature of the complaint, and names the date and the hour at which attendance at the court is required. Disobedience to a summons may lead, in criminal cases, to the issue of a warrant. In others, the case will be tried and judgment given in the defendant's absence. In civil matters all proceedings are commenced by a writ of summons (see WRIT) in the High Court, and by a plaint note or a default summons in the county court (see COUNTY COURT). For the speedy and inexpensive settlement of certain

Chancery proceedings there is the special machinery of an originating summons (*qv*).

SUNDAY.—In the United Kingdom, Sunday has been recognised as a *dies non* for many purposes from early times, and there are various statutes dealing with the day. The best known of these is an Act passed in 1677 (29 Car. II, c. 7), often called the Sunday Observance Act.

By Section 6—

"No person upon the Lord's Day, shall serve or execute any writ, process, warrant, order, judgment, or decree (except in cases of treason, felony, or breach of the peace)."

It will be seen, then, that all civil procedure and matters arising out of civil proceedings are utterly forbidden on a Sunday. For the sake of peace and good government, the criminal law must be in full force at all times, and consequently a warrant may be issued and an arrest made in all cases on a Sunday just as upon any other day of the week. But no judicial act can be performed, and it appears, therefore, that a summary conviction on a Sunday would be bad on the face of it.

It is still allowed, under an Act of 1781, to open a house or place for public entertainment or debate on a Sunday when money is charged for admission. By various exemptions, which it is unnecessary to enumerate, the Act has become, for all practical purposes, a dead letter.

In the computation of time, as where an act is required to be done within a certain number of days, Sunday is counted as one of them, unless it is expressly excluded.

SUNDAY TRADING.—By the Sunday Observance Act, referred to in the preceding article, it is constituted an offence for any tradesman, artificer, workman, labourer, or other person whatsoever, being of the age of fourteen years or upwards, to do or exercise any worldly labour, business, or work of his ordinary calling upon Sunday (works of necessity and charity excepted). The penalty, on conviction, is 5s., recoverable by distress, and, in default, imprisonment, without hard labour, for a period not exceeding seven days. Any information as to Sunday trading must be laid within ten days of the commission of the alleged offence, and one justice may convict. But in order to prevent an abuse of process, no proceedings can now be taken (Sunday Observance Prosecution Act, 1871) without the written consent of the chief officer of police of the district given before the information is laid, or of two justices, or of a stipendiary magistrate. No consenting magistrate can sit to hear the case.

The law as to Sunday trading is well summed up by a legal authority as follows: "Contracts which are not in the ordinary callings of persons are not within the statute, nor, if made on Sunday, are they void at common law. A farmer is not within the statute, nor is a solicitor, nor the owner of a stage coach, nor a hushdresser. It is not an offence against the statute for a baker to bake meat and pastry for customers. A party cannot sue upon a contract which he has made in violation of the statute. Thus, a horse dealer who has bought a horse with a warranty on Sunday cannot sue for a breach of the warranty. But a party charged with a contract cannot assert his own violation of the statute in defence, without proof that the other party knew him to be exercising his ordinary calling, or was himself exercising his ordinary calling in violation of the statute. The property in goods may pass under an executed contract within

the statute, and a lien may be acquired for the price of work done under it. And a party may be charged upon a contract or promise subsequently made in respect of a transaction which is avoided by the statute."

There is a widespread belief that a legal document is invalid if it is dated on a Sunday. This is quite wrong. An agreement, a bond, a conveyance, a mortgage, an affidavit, a will, etc., may be dated and executed on a Sunday as well as on any other day. And it is expressly provided by the Bills of Exchange Act, 1882, that a bill, a cheque, or a promissory note is not invalid by reason that it is dated on a Sunday.

There is special legislation provided for licensed houses as to their being kept open on Sundays. (See LICENSING LAWS.)

SUNFLOWER.—A species of coarse plants belonging to the genus *Helianthus*. Its various products are chiefly exported by Russia, but the plant is also extensively grown in Germany. The seeds are used as a poultry food, and as a substitute for coffee. An oil resembling olive oil is extracted from them, and a species of oil cake is produced. A brilliant yellow dye is obtained from the flowers, and the stems yield a strong fibre.

SUNN HEMP.—An Indian plant, the *Crotalaria juncea*, extensively cultivated for the fibre of its bark, which is much used for the manufacture of rope, twine, and sackcloth. It is also known as Indian hemp. Another species is grown in tropical Australia.

SUPERANNUATION.—An annual pension granted to a person on account of long and faithful service, old age, or physical infirmity.

SUPER CARGO.—An officer of a merchant ship, whose business it is to accompany the vessel, in order that he may superintend the sale of the cargo and also, if possible, procure other cargo for the return voyage.

SUPER TAX. (See TAXATION.)

SUPRAPROTEST. (See PAYMENT FOR HONOUR.)

SUPREME COURT.—Also called the High Court (*qv*).

SURETIES.—A surety is a person who gives a guarantee (*qv*). He is sometimes called a guarantor, and may be more precisely defined as one who undertakes with the creditor of a third party to be secondarily liable for some debt, default, or miscarriage, for which such third party is, or intends to become, primarily liable to such creditor. The obligations and rights of sureties have already been treated under GUARANTEE. (See also FRAUDS, STATUTE OF.)

SUR-REBUTTER.—(See PLEADINGS.)

SUR-REJOINDER.—(See PLEADINGS.)

SURRENDER VALUE. This is a term used in connection with life insurance, and it signifies generally the amount of money which an insurance company is willing to pay to an insured person in consideration of his surrendering his policy and giving up his claims against the company. It is out of surrenders and lapses that insurance companies make a considerable portion of their profits. The surrender value is calculated upon the number of years the policy has been in existence, and, consequently, the older the policy, the greater is the surrender value. Owing to the keen competition that now exists in the insurance world, insurance companies are becoming more generous in their terms, though these terms are invariably lower than the market value of the

policy. Consequently, instead of a surrender to the company, a large amount of business is now done in the buying and selling of policies at prices higher than the surrender value, and the purchaser keeps the insurance alive, he paying the premiums instead of the insured, and taking the benefits of the same upon the insured person's death.

SURTAX.—An additional tax beyond that which is ordinary. Also called super tax. (See **TAXATION**.)

SURVEYOR.—A surveyor is a person who is skilled in surveying and valuing land (whether with or without buildings thereon), building-work, and dilapidations, and in managing or laying out estates. Like other professional men, he has the right to charge for his services, and if he is guilty of negligence or incompetence he is liable to indemnify his client for any loss occasioned by such negligence or incompetence.

The work and duties of a surveyor sometimes overlap those of an auctioneer, land agent, or architect. An auctioneer or land agent is generally qualified to make a valuation of land, an architect or even a builder can survey and value dilapidations, an estate agent can manage an estate, and an architect is often competent to lay out an estate. The reader is accordingly referred to the articles **ARCHITECT**, **AUCTIONEER**, **ESTATE AGENT**, **HOUSE AGENT**.

There are many classes of surveyors appointed by statutory authority, e.g.—

(1) Under the Merchant Shipping Act, 1894, the Board of Trade may appoint *surveyors of ships* at such ports as they think fit for the purpose of inspecting at any time the machinery, boats, equipments, or articles on board any steamship, or any certificates of the master, mate, or engineer thereof. In addition to the local surveyors, there is a *surveyor-general* for the United Kingdom. These surveyors have to make returns to the Board of Trade as to the build, dimensions, draught, burden, rate of sailing, room for fuel, and the nature and particulars of machinery and equipments of ships surveyed by them.

(2) **District Surveyor** appointed either: (A) by the London County Council or the Metropolitan Borough Councils to supervise the execution of the London Building Acts. Among his duties are (a) to see that a building is constructed according to the plans and particulars approved by the Council; (b) to survey a dangerous structure, and certify to the Council his opinion as to the state of the structure; (c) to survey a sky-sign on application made to him for renewal of a licence, and to issue a certificate; (d) to examine plans of building intended to be erected, and certify as to its correctness. Or (B) by urban and rural district councils to act as the agent in supervising streets, buildings, and drainage.

(3) **County Surveyor.** Any county council is entitled to appoint, and some, but not all, exercise their power to appoint, a county surveyor.

(4) **Surveyor of Highways.** This is an office that has existed since the time of Queen Mary in 1555, but the powers and duties of the office are now exercised in the County of London by the Metropolitan Borough Councils, and in all other cases by the urban or rural district council, except in so far as they are exercised in relation to main roads by the county council.

(5) **Surveyors of Taxes.** Appointed by the

Treasury, under the Taxes Management Act, 1880, for the purpose of surveying and inspecting the duties of land tax and income tax, and to do all things belonging to the office of surveyor according to the powers conferred by the Tax Acts and the Land Tax Acts. This office has recently been abolished, but the duties will be continued by an official known as an inspector of taxes.

If a surveyor of taxes wilfully makes a false and vexatious charge of the duties, or is guilty of any fraudulent, corrupt, or illegal practices in the execution of his office, he must, on conviction, be discharged from his office, and is further liable to a penalty of £100 for each offence.

Besides the above-mentioned statutory surveyors, there are several other classes of surveyors with special duties.

A **Quantity Surveyor** is a person whose business consists in taking out in detail the measurements and quantities from plans prepared by an architect for the purpose of enabling builders to calculate the amounts for which they would execute the plans. He must have a sufficient knowledge of architecture and the building trade to construe the meaning of the plans and drawings, and to estimate the amount of labour and materials required for each item of the work.

The usual charge of a quantity surveyor is from 1 per cent. to 2½ per cent. of the contract price, and is payable by the building owner, if the quantity is employed (1) by the building owner, or (2) by the architect with the express authority of the building owner. But if there is a condition in the Bill of Quantities that the builder who obtains the contract shall pay the quantity surveyor, the builder, and not the building owner, is liable to pay these charges. The building owner may, however, expressly limit the authority of the architect to engage a quantity surveyor, or may prohibit it altogether.

SURVEYOR OF CUSTOMS.—The officer who is in superintendence at a Custom House station or warehouse.

SUSPENSE ACCOUNT.—(See **ACCOUNT**, **SUSPENSE**.)

SUSPENSION OF PAYMENT.—This signifies the cessation of the payment of the debts of a merchant or other person, when he has become aware of the fact that he is unable to meet the whole of his liabilities in full. A debtor commits an act of bankruptcy (*qv*) if he gives notice to any of his creditors that he has suspended, or is about to suspend, the payment of his debts.

SWEATING COINS.—This signifies the rubbing together of coins, or the shaking of them in a bag or box, so that a portion of the metal may be worn off by means of the friction, and afterwards collected as "dust." The practice was formerly very common, but it has now apparently become quite rare.

SWEDEN.—**Position, Area, and Population.** Sweden occupies the eastern part of the peninsula of Scandinavia, having Norway on the west and the Baltic Sea on the east. Its area is nearly 173,000 square miles, or almost half as large again as the United Kingdom, but its population is only about 5,800,000. It is more densely populated than Norway, yet it has but thirty-three people to the square mile, and ranks second in Europe as a sparsely populated country.

Coast Line. The coast of Sweden, though irregular and island-fringed like the Norwegian coast, is much lower than that of Norway, nor do the aims

of the sea penetrate far into the interior. Hence the natural harbours are much more limited. The two most important islands are Gothland and Öland, in the Baltic Sea. Gothland, with its port of Wisby (now a small village), was an important centre of Baltic trade when it was held by the Hanseatic League.

Bull. Sweden consists mainly of the longer and gentler slope of the Scandinavian Highlands, which is crossed by numerous parallel rivers having southeasterly trends, and often widening out into lakes. The south of Sweden is occupied by the Gothland Plateau, above which the main tableland rises. A greater proportion of plain is found in Sweden than in Norway, and the whole country lies much lower. The rivers of Sweden are slower than those of Norway, but most are of little use for navigation; the chief of them are the Dal, Tornea, Motala draining Lake Wetter to the Baltic and the Gota draining Lake Wener to the Kattegat. Sweden has many lakes, those in the south are among the largest in Europe and include Lakes Wener (the largest), Wetter, and Mälär. They are of prime importance for commerce, and almost cut off the flat, fertile, and populous southern Sweden from the rest.

Climate. The climate of Sweden presents a contrast with that of Norway. It has greater extremes of temperature, a less rainfall, and possesses continental characteristics, while that of Norway is oceanic. The rainfall is greatest in the south, and the rains chiefly come in summer. The warming influence of the Gulf Stream Drift is not felt, and Swedish harbours are ice-bound in the winter months. Wheat can be grown in Southern Sweden with more certainty than in Southern Norway, owing to the drier continental climate.

Products and Industries. *Agriculture* is a more important industry in Sweden than in Norway, largely owing to more fertile and wider farming tracts, yet the crop land is only about 6 per cent of the entire surface. Oats are the chief crop, followed by rye, barley, potatoes, and wheat. The chief agricultural region lies in the south, especially the coastlands bordering the Kattegat, where the south-west winds have easy access. The great difficulty of Swedish agriculture is the lack of labour, due to the diversion of part of the limited supply to the towns. Root-crops for winter feed are important, the Swedish turnip possesses frost-resisting qualities.

The Pastoral Industry. Sweden is more suited to pastoral industries than to agriculture, and hence this industry ranks high. Cattle are the chief animals reared; but sheep, horses, and pigs are important. Dairying is of growing importance, especially in the region facing Denmark. Göteborg is the chief butter port. The lack of labour has led to the use of mechanical appliances, such as cream-separators and mechanical milkers.

Forestry. Over 50 per cent of Sweden is forested, and, as in Norway, lumbering is one of the staple industries. Pines and firs predominate, being specially suited to the climate and the sandy soil. Deciduous trees (oak and beech) grow, however, in Southern Sweden. The main forest region lies between 60° and 64° north latitude, and Gefle is the timber centre.

The Mining Industry. The mineral wealth of Sweden is much greater than that of Norway, and mining is becoming the most important department of Swedish industry. The introduction of new

machinery, especially in the iron mines, has ensured greater progress. Iron is the chief mineral worked, but copper, lead, manganese, and zinc are also mined. Gold and silver also are mined in small quantities. Swedish iron ore is noted for its fine quality, and much of it is exported to Great Britain. It is found in Lapland, between Lake Tornea and Gellivara, and near Dannemora, north of Lake Mälär. Copper is mined at Falun, west of Gefle; silver and lead at Sala, west of Upsala; and zinc at Annaberg.

The Fishing Industry is of minor importance. The herring fisheries of Scania, in the south-west of Sweden, were important when the herring-feeding grounds were in the Baltic. The herrings, however, have for long abandoned this region for the North Sea grounds.

The Manufacturing Industries. Swedish manufactures are fast developing. The mechanical power provided by the numerous streams is utilised in the timber industries, and the non and electro-chemical industries. Cream separators, lighthouse apparatus, telephone supplies, motors, and many kinds of electrical machinery are among the highly specialised products of the metallurgical industries. Textiles are manufactured at Norrköping, Göteborg (or Gothenburg), Stockholm, and Jönköping; iron goods at Dannemora; matches at Göteborg; and wooden ships at Göteborg. The porcelain factories of Rorstrand and Gustavsberg, and the glass factories of Kosta and Rejmyre produce wares that have achieved a high reputation in the markets of the world.

Communications. Transport facilities are comparatively well developed in Sweden. Roads are good and well kept. The rivers are of great importance to the timber industry, possessing space, depth, and length for floating operations. The Gota Canal system, utilising the Gota River, Lakes Wener, Wetter, and Boxin, provides a direct waterway for vessels of light draught from Göteborg, on the Kattegat, to Söderköping, on the Baltic. From Stockholm a railway runs through Upsala to Gellivara, a second runs westward to Trondheim (Norway), and a third runs from Luleå, at the head of the Gulf of Bothnia, through the Gellivara non district to the Norwegian port of Narvik, which is ice-free throughout the year. This latter line was made mainly for the mineral traffic; iron ore can now be exported all the year round. Lines also run west from Stockholm to Christiania and Göteborg, and south through Norrköping to Karlskrona and Malmö. There are over 9,000 miles of railway, of which 3,000 are State-owned.

Commerce. The exports of Sweden consist of timber and wooden goods, machinery and implements, manufactured iron and steel, paper, wood pulp, iron ore, dairy produce, matches, stone, and zinc ore. Forest products are the most important; then follow iron, iron ore, and butter. The chief imports are coal, metal goods and machinery, food stuffs, colonial produce (chiefly sugar and coffee), textiles, raw materials for textiles, and coke. The chief seaports are Gothenburg, Stockholm, Malmö, Halmstad, Norrköping, Helsingborg, Christianstad, Karlskrona, Söderhamn, Sundsvall, and Hernösand. Most trade is with the United Kingdom, of other countries, Germany, Denmark, France, Russia, Norway, and the Low Countries stand high.

Trade Centres. The trade centres are mainly the ports and mining centres. Stockholm (413,000) and Göteborg (196,000) are the two largest towns, and

there are thirteen other towns with populations exceeding 20,000.

Stockholm, the capital and second port of Sweden, stands on the channel between Lake Malar and the Baltic. Owing to its numerous waterways it has obtained the name of "the Venice of the North." Its outlook is towards Russia, and its harbour is icebound longer in the winter than that of Gothenburg, hence the latter has surpassed it in trade. Its scientific and technical institutions rank high, and its manufactures include textiles and iron.

Gothenburg (or *Gothenburg*) is the most important port, and the most accessible from Great Britain, Hamburg, and France. It stands well on the Kattegat, commanding the western entrance to the Gota Canal. Gothenburg faces the western world, and this has added to its importance. It has large sawmills, match works, and textile factories, and builds wooden ships.

Malmö (113,000), on the Sound, trades largely with Denmark and Germany.

Uppsala (28,000), north of Stockholm, was the old capital, and is now a noted university town.

Of other towns, *Norrköping* is the first manufacturing centre; *Helsingborg* is a channel port and export centre; *Karlshamn* is a naval and commercial centre; and *Luleå* (copper), *Sälv* (silver), *Dannemora* (iron), *Jönköping* (textiles), and *Göteborg* (timber port) have been previously mentioned.

Mails are despatched to Sweden from the United Kingdom twice a day, via Holland or Belgium. There are supplementary services via Newcastle-on-Tyne and Hull. Stockholm is 1,132 miles from London. The time of transit is about two days.

SWITZERLAND.—Position, Area, and Population. The Republic of Switzerland, situated in the middle of Europe, is one of the very few European countries which possess no seaboard. Protected on all sides by immense mountain barriers, the Swiss have worked out their own destiny and are a thrifty, industrious, brave, and patriotic nation. The area of the republic, nearly 16,000 square miles (half the size of Ireland), supports a population of about 4,000,000, and as regards density of population (over 200 to the square mile), it ranks high among European countries.

Build. Switzerland is essentially a land of mountains. The Jura Mountains and the Alps occupy five-sevenths of the country, while the Swiss plateau in the north makes up the remainder. The average height of the Swiss Alps is greater than that of Snowdon, and among them are found some of the highest peaks in Europe. The Pennine, Lepontine, and Rhaetian Alps separate the republic from Italy. Monte Rosa (over 15,000 ft.), the highest Swiss peak, is in the Pennine Alps. On the west the Jura Mountains form part of the boundary, and the Tyrolean Group acts as an eastern barrier. The central system, known as the Bernese Oberland, contains the Schreckhorn, the Jungfrau, the Wetterhorn, and the Emmentalerhorn. The huge, low mass of the St. Gotthard, lying in the centre, has valleys opening from it to the four points of the compass, and from it also the main river-courses radiate. The Rhine flows northward through Lake Constance, which acts as its filter; the Rhone, rising in the great Rhone glacier, flows westwards through Lake Geneva; the Reuss and Aar join the Rhine (the former draining the Lakes Lucerne and Zug, and the latter with one of its tributaries draining Lakes Brienz, Thun, Neuchâtel, and Bienné); and the

Ticino and the Adige flow southward to the Plain of Lombardy. Famous passes over the Alps leading from Switzerland into Italy are the St. Gotthard (6,935 ft.), the Great St. Bernard (8,110 ft.) over the Pennine Alps, and the Simplon (6,600 ft.) over the Lepontine Alps.

Climate. The climate of Switzerland, speaking generally, is healthy and genial. Its winters are severe, and its summers short and very hot, especially in the deeper valleys. The lofty mountain peaks are always covered with snow, which falls frequently on them. Rainfall is heavy over most of the surface of the republic. A succession of vegetation zones (corresponding to the various climates) is seen in ascending the Swiss mountains in summer. Low down, the maize and vine flourish, but disappear at heights of about 2,000 ft.; cereals grow till a height of 4,000 ft. is reached; up to 6,000 ft. summer pasture for cattle and evergreen trees are found; above 6,000 ft. tundra characteristics prevail, passing at still greater heights into regions of eternal snow. The hot foehn wind is important in some of the Alpine valleys, especially that of the Upper Reuss, as early spring sowings and the more perfect ripening of the grape depend upon it.

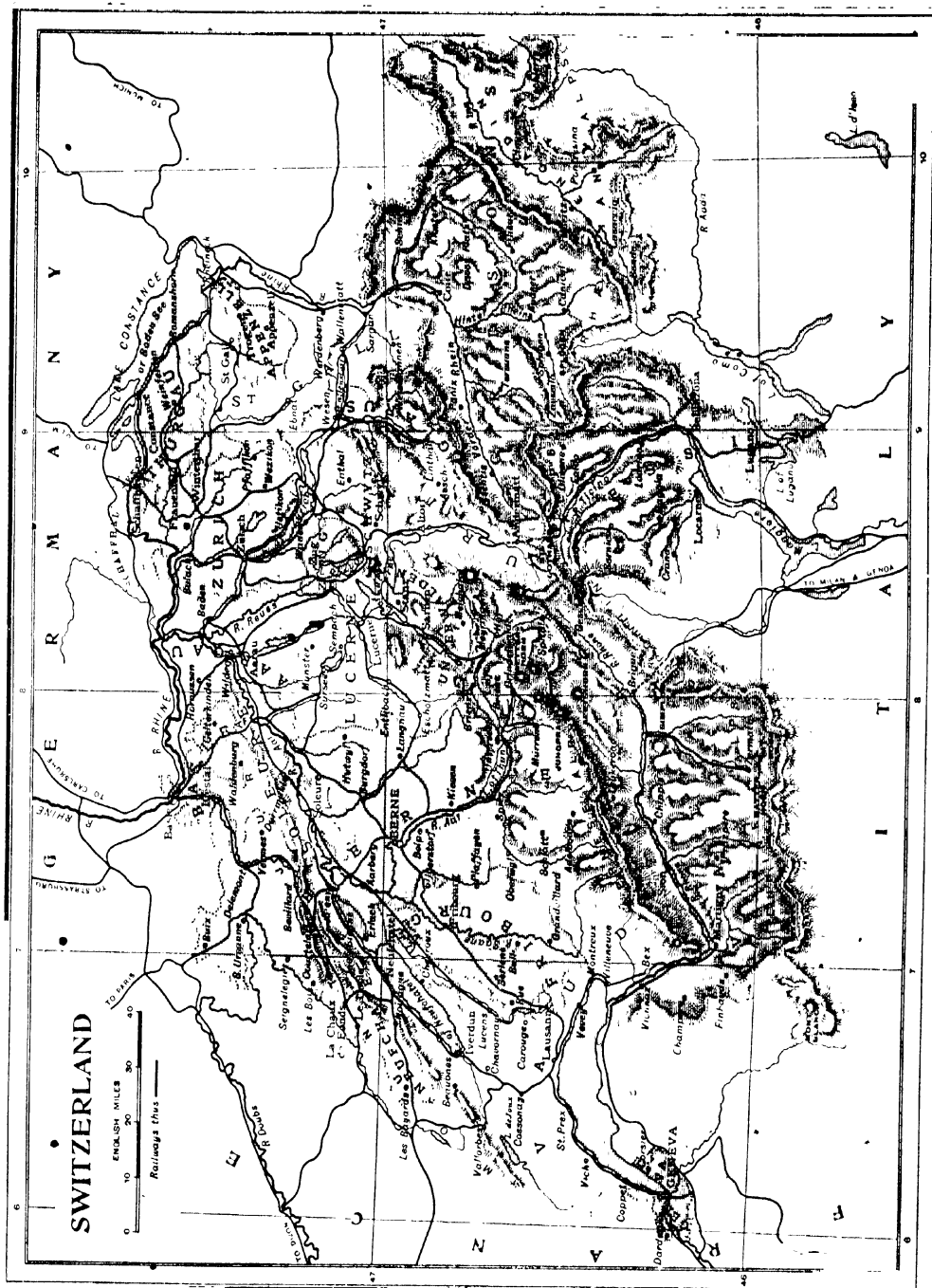
Productions and Industries. Notwithstanding the mountainous nature of Switzerland, its small area suitable for farming, its lack of navigable rivers and seaboard, and the absence of coal and iron, the country is in a thriving condition, and this prosperity may largely be assigned to the thriftiness of the people, their natural ability, and to the excellent educational system of the country.

Agriculture. Switzerland is largely an agricultural country, though more than a quarter of the land is classed as unproductive. Wheat, rye, oats, and potatoes grown on the plateau are the chief crops, but the bulk of the food crops consumed in the country is imported. The chief agricultural industries are the manufacture of cheese and condensed milk. The vine is cultivated in the sheltered valleys of the Rhone and Ticino, and in Vaud and Neuchâtel. Silkworms are reared in the Ticino Valley and in Grisons, where the mulberry tree is grown. Fruit trees are important in the deep valleys opening to the south.

The Pastoral Industry. On account of its moist climate and mountainous character, Switzerland is much more suited to the pastoral industry than to agriculture, and this industry is of great importance. Cattle are much the most numerous of the animals reared (about 2,000,000); horses, sheep, pigs, and goats are also fed. The higher pastures of the Alps are utilised in summer, and the cattle are driven to the valleys in winter. Sheep and goats are reared chiefly on the more mountainous tracts. The emptiness of the pastures from markets causes the surplus milk to be made into cheese, or condensed and canned.

Forestry. Over 20 per cent. of Switzerland is forested. Beeches grow on the plateau, conifers on the mountains, and oaks and chestnuts on the valleys opening towards Italy. The timber is used for building, for fuel, and for wood-carving during the long winter nights, fancy articles then being made and sold to tourists during the summer.

The Mining Industry. Switzerland has little mineral wealth. Salt is worked at Bex in Canton Vaud, and in the Cantons of Basel and Aargau. Iron ore in very small quantities is mined in the Jura Mountains, and is known to exist near



Meiringen, in the upper Aar Valley. Asphalt is worked at Val de Travers, Neuchâtel.

The Manufacturing Industries. Swiss manufactures are well developed, factors to their success are the skill and energy of the inhabitants, the central position of the country, and the excellent water-power. Coal is, however, lacking. Water-power is used for manufacturing, electric lighting, and for transport purposes. Cotton is the most important manufacture and is carried on at Zurich, Aargau, and St. Gall. The silk centres are Zurich (silk in the piece) and Basel (ribbons), and some silk weaving is still done by hand. Machine embroidery and the making of lace are important in the cantons of St. Gall, Appenzell, and Thurgau. The keenness of foreign competition, especially that of the United States, has compelled the Swiss to utilise the latest machinery, and to develop more than technical education in order to compete successfully in the watch trade. Among the chief centres of this industry are Le Locle, Neuchâtel, and Chaux-de-Fonds in Neuchâtel, Geneva, Basel, Bienne, and St. Imier in Berne. Jewellery and the making of musical boxes are important in Geneva. Machinery and electrical appliances are made at Zurich and Winterthur, and Basel is noted for its chemical industries, which include the production of aniline dyes. The uses made of water-power in recent years for the extraction of aluminium from its ores, and the making of calcium carbide, are worthy of note. For the cheese industry, Emmenthal and Gruyère are the centres. Nestlé's milk and chocolate works are at Vevey. Switzerland has earned the name of "The Playground of Europe" and hotel keeping in summer (and to a certain extent in winter) is an important and profitable occupation. This "trading on tourists" brings in some millions of pounds annually not only to the hotel-keepers, but to the peasants also, and the entertaining of visitors has been called the chief "industry" of the country.

Communications. Notwithstanding its mountainous character, Switzerland has excellent roads and railways. Of water transport there is little, because of the unsuitability of the rivers and the difficulties in the way of canal construction. Steamboats ply on the lakes for the tourist traffic. The great outlets for trade are: On the west, Geneva and Basel, which are joined by two lines of railway (1) through Neuchâtel and (2) through Lausanne and Berne; in the north-east, Zurich is the great centre, a line from it through the Aargau tunnel (6½ miles) leads to Austria, and in the south the Simplon route by the Rhone Valley and Simplon tunnel (12½ miles) leads to the Ticino valley and Milan (Italy), while the St. Gotthard route from Zurich and Lucerne by the Reuss Valley and the St. Gotthard tunnel (9½ miles) leads to the Ticino Valley and Milan.

Commerce. The chief exports are clocks and watches, cotton and silk goods, cheese and condensed milk, elaborated food products, and fancy goods. Its imports, as might be expected from previous statements, consist largely of food products and raw materials for its manufactures, raw silk, cotton and wool, coal, metals, and minerals figure prominently. The chief trade is carried on with Germany, France, Italy, and the United Kingdom, but a considerable trade is also done with the United States.

Trading Centres. The towns of Switzerland are either railway, manufacturing, or tourist centres.

There are three towns with populations of over 100,000, viz.: Zurich (205,000), Basel (131,000), and Geneva (137,000). Eight other towns have populations exceeding 20,000.

Zurich, on Lake Zurich, in the north, is a great railway centre, and the chief town of trade and education in Switzerland. It has silk and cotton mills.

Basel (Bale), on the Rhine, stands at the head of the plain of the middle Rhine. It is a great route centre and a frontier town. Its silk manufactures are important.

Geneva, the chief town in French Switzerland, stands at the western end of Lake Geneva. It is a great railway and tourist centre, and makes clocks, watches, jewellery, and musical boxes.

Berne (95,000), the Federal capital, stands on the Aar. It is an old town, and a route and tourist centre.

Lausanne (71,000) on Lake Geneva, is a route centre and manufacturing town.

Lucerne, on Lake Lucerne, is a tourist and route centre, and the key of the St. Gotthard route.

Other towns are *Interlaken* and *Zermatt* (tourist centres), *Constance* (route centre), and *Chaux-de-Fonds*, *St. Gallen*, *Bienne*, *Neuchâtel*, and *Winterthur* (manufacturing towns).

Mails are despatched to Switzerland from the United Kingdom three times a day, and the time of transit to Berne, Geneva, and Zurich is about twenty-two hours.

SWORN BROKERS.—These are brokers who are licensed by the authorities to carry on their business after having taken an oath to fulfil their duties faithfully. At one time, there were sworn brokers in England, but now it appears that they are unknown, except on the bourses of Berlin and Vienna.

SYNDIC. A syndic is a representative or delegate. In the event of a corporate body being appointed an executor, a representative of the corporation will be appointed to take out a grant for the benefit of the corporation. Thus a representative or "syndic" would be appointed by a bank appointed executor by a testator, and a sealed copy of the resolution of the directors appointing the syndic (usually the bank manager) would be filed with the papers when the grant is applied for.

SYNDICALISM.—The French term for a trade-union is *syndicat*, so that Syndicalism is properly an alternative term for trade-unionism. The economising tendency of our language, which dislikes to allot two good words to the one idea, has, however, given "Syndicalism" an added meaning; it is trade-unionism with a difference. The word implies the idea that social revolution must come through the direct action of labour unions. It includes, that is, the aim of the *syndicats rouges* (the red unions) which seek to bring about the abolition of the present capitalist system by a class struggle, by an application of economic force, and the aim of the *syndicats jaunes* (the yellow unions) *i.e.* the abolition of the capitalist systems by means of constitutional and legal action, by the capture of the machine of government. In so far as Syndicalism seeks to change the method of production under capitalist direction and for capitalist profit into a method under the direction of the workers themselves and for their profit, it corresponds to what is vaguely denoted as Socialism. But it differs from Socialism in that it places no reliance on political action. It would remove the

contest from the political to the economic field ; and, where the Socialist would confine the revolutionary activities of the workers to the act of voting, the Syndicalist would initiate a class warfare by which the workers are to free themselves by transferring the functions and the life of the State to their own Unions. We have, in fact, a fresh emergence of the old antagonism between the Chartists of the Great Petition, who had an implicit trust in the advance of democracy, in the growing power of the multitude in matters of government, for the realising of their aspirations, and the "physical force Chartists," who distrusted the state but very slow progress of Parliamentary action, who affirmed it to be incredible that a Socialist party could ever obtain an effective majority, and who therefore placed their hopes on the power of terrorising by weight of numbers. To-day, indeed, physical force is replaced by economic pressure. But the line between the two is difficult to draw. For the decisive trial of strength between the employing and possessing classes on the one hand, and the employed and disinherited classes on the other, is a GENERAL STRIKE, a stoppage of the entire process of production. The greatest sufferers from the resulting dearth would be the workers and their families : so long as any semblance of law and order is maintained, those that have property rights will be enabled to procure such food supplies as are available. Unless compulsion and violence enforce the "general strike," its proclamation would be about as effective as the proclamation of a general fast—to which the general strike is bound, and indeed intended, to lead. It would seem at least as easy to obtain control over the government as to obtain an adhesion for any length of time to a general cessation of work.

So far as the object of Syndicalists is a conscious one, and not, as is sometimes stated, the "barbarous manifestation of irresponsible egotism paralysing the life of the nation wantonly and ruthlessly," it is this. The world of the future is for the workers ; the workers must be free and self-governing. In order to fit themselves for this state of autonomy the workers, individually and collectively, must educate themselves in the technique of their employments ; they must organise themselves so that when the time is ripe they will, under the direction of their chosen chiefs, be able to run their industries themselves. There will be a new society of new men. The perfection of the technical part of the work to be accomplished will bring out a social discipline voluntarily accepted because of the enlightened outlook of the workers. To quote from the eager aspirations of a prominent advocate of the new Labour movement : "Syndicalists must take care of the technical, moral, and social perfection of the young workers ; they must guide and advise them, and awaken in them the spirit of observation, the qualities of initiative and energy. They must efface the painful and repugnant features that accompany labour under the present organisation of production. The problem of progress lies in saving work from monotony and routine, from fatality and servitude—in freeing work and ennobling it. To initiate every worker into the progress of industry and the marvels of human energy, to show them the usefulness of their efforts and the grandeur of their work—this is to give them a passion, a soul, a conscience." The Class War is therefore only the instrument, the ultimate aim is the successful managing of the industries by workers highly

trained as individuals and animated by the moral obligation to work earnestly because working for the collectivity.

The positive aims of the movement, the aims other than the negative ones of hostility to the present "exploiting" of the worker, will appear clearly on the consideration of a concrete instance. "The Railways for the Railway-men" is the catch phrase that sums up the Italian movement towards the working of the railways as a great co-operative undertaking. In 1905 the Italian Government at a great price took over the railways. It was promised that a better and cheaper service should be provided, but, as a fact, the incompetence of the officials, appointed not for their technical knowledge but from political considerations, brought not only a growing yearly deficit in the returns, but confusion in the working. Many highly paid offices were created, thousands of clerical jobs became necessary, and the drawbacks to the State administration of a complicated industry have constantly been emphasised. An economist of the reputation of Pareto has therefore been led to the conclusion that, since private ownership is a public nuisance and State ownership a veritable disaster, the one practical solution is to entrust the State railways to the co-operative enterprise of the organised railway men. The workers have, in anticipation of this time, been perfecting their technical skill, the highest positions would be occupied by men selected by the workers from the workers, not as now by political influence, but for their capacity and knowledge, the new life and higher conscience of the men would obviate the need for supervisors and examiners, the decrease of officials would increase the number of productive workers, and there would be a safer, prompter, and cheaper service, the workers would all receive a minimum wage and a share in profits, and in a spirit of solidarity would work with animation and devotion because working for their association. Such is the ideal ; whether it would be realised in practice is not quite certain. It may, however, be pointed out that the men who are to form the members of such a self-acting industrial mechanism must be so much better, both as workers and as citizens, than the average worker of to-day that any formal organisation will be altogether unnecessary. (See the Articles on COMMUNISM, CO-OPERATION, and SOCIALISM.)

It will be evident from what has been said, that Syndicalism is something more than a new and fancy name for what has always been more or less present since a differentiation into rich and poor began—the sense of injustice at the monopoly of the good things of life. With the sense of injustice an outburst of discontent and its resulting actions are always ready, the materials are ever present, and when fit leaders and suitable times coincide we have visible signs of the enmity. The plebeians of Rome made their "city of tents" against the patricians, though they could not answer the cunning old senator who related how the members of the body rebelled against the belly, and suffered for their rebellion ; the main causes of the French Revolution, the deluge that swept away privileges and titles and monarchy, were economic. In our own history there was Jack Cade's Rebellion, when the enslaved peasants, dimly perceiving that the learned and rich kept them bound to a life of imprisonment and drudgery, made a desperate attack on learning and lawyers, and Lord Say was executed because "thou hast corrupted the youth of the

land in erecting a grammar-school: and whereas, before, our forefathers had no other books but the score and tally, thou hast caused printing to be used. It will be proved to thy face that thou hast men about thee that talk of a noun and a verb, and such abominable words as no Christian ear can endure to hear." There was, too, the rising called Wat Tyler's rebellion, when the pertinent query was put "When Adam delved and Eve span, Who was then the gentleman?"

The present wide-spread discontent is as universal as any of those mentioned, though its effects are not as dramatic: the contest to-day is a long, squalid struggle, not a short, exciting one. For the rapidity with which the term Syndicalism has come into vogue, and the astonishing number of the professed adherents to the doctrines summed up in the term, find their reasons, and to some extent their justification, in present-day conditions. We have the startling contrast between enormous wealth, flaunting its luxuries before the eyes of the public, advertised by a sensational press, and usually divorced from social obligations traditional with the great landowners, and on the other hand degrading and hopeless poverty.

To sum up. The fundamental idea in Syndicalism is entirely admirable: it calls on workers to raise the level of their competency in reference to their industry, and to use their increased competency for the benefit of the community. The methods by which it seeks to obtain control of the life of the nation are not so laudable. It would paralyse capitalist production; it seeks to secure national industrial unionism, the amalgamation of trade-unions into bodies capable of taking action at all points of an industry; and since one country is so closely connected with others in the modern world it aims at international affiliation and co-operation.

SYNDICATE.—Syndicates are very common in financial circles. A man or group of persons may have secured an option over a mine or any other form of property, or may have purchased or by other means obtained a Government or municipal concession to construct a tramway, waterworks, or any other form of public utility in some part of the world, for the execution of which it is desired to raise a large sum of capital. The acquisition of such an option or concession, the inspection of the mine or property or the preparation of estimates as to cost, etc., entail a certain amount of expense, and it is usual, therefore, in these cases to form a preliminary syndicate which puts up the necessary money to carry out this part of the work, and which, if things appear satisfactory, then floats or arranges for the flotation of a company with the necessary capital to carry out the undertaking, or it may not require the formation of a company, but merely the issue of a loan in the form of debentures, if there is something on which these can be secured. The terms on which such a company is floated or such loan is issued are generally such as to leave a very handsome profit indeed to the members of the syndicate, who oftentimes not merely receive a large cash profit, but also considerable amounts of ordinary shares or common stock in the "watered" capital of the company they have formed. The City is full of these syndicates, some of which bring to their members fortunes, whilst in others, of course, the money that has been provided to purchase an option, to send out an engineer, or whatever the initial cost may be, is lost.

SYRIA WITH PALESTINE.—**Position, Area, and Population.** Syria (under Mandate to France and French military occupation) and Palestine (under Mandate to Britain) stretch southward from Anatolia to Arabia and the Sinai peninsula. Their western boundary is the Mediterranean Sea and their eastern the valley of the Euphrates. Syria, the northern region, has an area of about 107,000 sq. miles and a population of about 3,000,000; while Palestine, the southern region, has an area of about 7,000 sq. miles and a population of 600,000. Most of the people speak Arabic, and are Mahomedans in religion. Jews, Turks, Mongols, Arabs, and Persians are all represented in the mixture of Syrian races. Palestine is again to become the homeland of the Jews. If considerations are given to the facts that Syria (especially Palestine) was the commercial centre of the Old World, one of the first centres of inland sea-traffic, the natural route between Egypt and Mesopotamia, and the scene of many conquests, it is easy to see why its races are so varied.

Coast Line. The coast stretches from north to south with scarcely a bend, towards the north it is rocky, while towards the south it is low, and in some places sandy. There are no good harbours, but several open roadsteads and ports are visited by steamers. Haifa, sheltered by the bold headland of Mount Carmel, is the best sheltered, but Beirut and Iskanderiûm or Alexandria carry on most trade. Latakia, Tripoli, and Jaffa are not of great importance.

Build. The build is threefold, comprising a coastal plain of varying width, two parallel mountain ranges running north and south enclosing the remarkable depression of El Ghor, and a high eastern plateau falling gradually to the Syrian desert and the Euphrates river. West of the rift valley (El Ghor) the tableland approaches the sea, rising to heights of over 10,000 ft. in the mountains of Lebanon. East of El Ghor the tableland falls steeply on either side, the highest part forming the Anti-Lebanon Range. In the north the coastal plain is small and narrow, but south of Mount Carmel the hills receding from the shore leave room for the broad, fertile lowlands of Sharon and Philistia. South east of Mount Carmel the plain of Esdraelon allows easy access to the Jordan Valley. The basaltic district of Hauran, with its fertile soil, lies east of the Jordan, and is connected with the rift. Among the rivers the most notable is the Jordan, rising west of Mount Hermon, and flowing into the Dead Sea, 1,300 ft. below sea-level. The Orontes and the Leontes rise near each other between Lebanon and Anti-Lebanon, and cut their way westward to the Mediterranean.

Climate. The coastal plain and Mediterranean slopes enjoy a mild and genial climate, not unlike that of Southern Italy, but the Jordan rift is intensely hot and dry. East of the Jordan the climate becomes continental. The rainfall is sufficient for agriculture on the Mediterranean land, and even on the hills of Gilead beyond the Jordan, but on the eastern plateau the small rainfall, the difficulties of irrigation, and the intense summer heat result in a pastoral region. East of the plateau poor grassland merges into the desert. Rainfall diminishes from north to south, and from west to east. In the north the dry season lasts four and a half months, in the south nearly eight months. Beirut has a mean annual rainfall of 36 in., Jerusalem has 26 in. The mass of the

land, being limestone, quickly gains and loses heat, thus giving rise to regular and punctual land-and sea breezes.

Production and Industries. *Agriculture* is of great importance, but has suffered much from Turkish mis-government. The olive, fig, and vine are grown on the hill-sides, where ruined terraces are now being repaired. The mulberry thrives on the Lebanon slopes, and silk is important. Fine wheat and indigo are produced in the Hauran volcanic district, the Jaffa oranges of Sharon are famed, and tobacco is a valuable crop at Latakia. Palms, oranges and bananas thrive in the tropical Jordan valley. The rich plains of Sharon and Philistia grow cereals, cotton and fruits. Damascus and Sharon are noted for their roses (from which attar of roses is obtained), and the fruits of Damascus are prized.

The Pastoral Industry. Much of the country is of porous limestone and essentially pastoral. The Jews of old were largely a nation of shepherds, and to them the world owes the conception of the one Shepherd God. Numerous flocks of sheep roam over the downs of the eastern plateau, and a few Bedouin Arabs, with their horses, camels, and goats, find means of subsistence in the Syrian desert and the eastern slopes of the plateau.

Forestry. The region is in general bare of trees, and the once famous cedars of Lebanon are now represented by a few small groves. In some localities the hills are well wooded. The reckless felling of the forests has resulted in a drier climate and worse conditions for agriculture.

Mining. Limestones are the prevalent rocks throughout the country and mineral wealth is small. Bromine and bitumen are obtained from the Dead Sea, and hot sulphur springs exist near Tiberias. Salt, chrome, and iron are produced near Aleppo, and iron and lignite near Damascus.

Manufactures. Damascus is the chief manufacturing centre. Hand looms are used, and about 10,000 workmen are employed in weaving silk, cotton, and woollen fabrics. Beirut manufactures silk textiles. Soap making is a characteristic industry, and is aided by the growth of the olive and soda-yielding plants. Various articles are manufactured for the use of Mohammedan pilgrims.

Communications. The build of Syria presents many obstacles to easy communication inland from the coast, and few good roads are to be found. There is one good road from Beirut to Damascus, and inferior roads lead from Alexandria to Aleppo, from Haifa to Nazareth, and from the port of Jaffa to Jerusalem. Much inland transport is by mule or camel. Caravan routes are still much used, and Damascus and Aleppo are the chief centres. From Damascus, the gate of the desert, routes diverge: (1) southwards along the eastern brink of the Jordan rift valley, and across the Sinai peninsula to Suez; (2) southwards by the same route to Sinai, and then along the eastern shore of the Red Sea to Medina and Mecca (the pilgrim route); (3) westwards through the gorges of the Lebanon and Anti-Lebanon to the sea-coast, and then southwards along the coastal plain to the Nile; and (4) eastwards across the Syrian desert and past the wells of Ladmor to Baghdad and the Persian Gulf. Another great caravan route commences at Alexandretta and goes through Antioch to Aleppo

where the road branches: (1) Through Diarbekir and Mosul to Basra; and (2) through Deir and Baghdad to Basra. Palestine will never again have the importance it acquired in ancient times through its central position, and control of routes. Railway construction and improved methods of farming will, however, do much to restore its lost prestige. The chief railways are: (1) From Beirut across the Lebanon Ranges to Damascus; (2) from Jaffa to Jerusalem; (3) from Haifa across the plain of Jezreel, and a depression in the mountains of Samaria to Damascus; (4) from Ludd to Gaza and across the Sinai desert to Kantara where connection is made with the Egyptian railways; and (5) from Aleppo through Hamah, Homs, Damascus, Tebuk to Medina, and finally to Mecca (railhead is now at Medina); this is the Pilgrim Railway.

Commerce. Most of the foreign trade is with the United Kingdom. The chief exports are wheat, fruit (particularly oranges and figs), tobacco, wool, hides, raw silk and olive oil. The imports consist mainly of textiles and ironware. Alexandretta, Beirut, and Jaffa are the chief outlets.

Trade Centres. *Damascus* (350,000), the capital of Syria, lies on a fertile plain under the Anti-Lebanon ridge, watered by seven streams, of which two are the Abana and Pharpar, with the snowy crest of Hermon rising to over 9,000 ft. above. The city shines as a "diamond set in the dark green of fruitful gardens," and amid poplars, cypresses, palms, walnuts, apricots, orange trees, pomegranates and figs, so that the air is filled with the fragrance of their blossoms in the spring. It is called by the Oriental, "The Pearl of the East." It is a railway, manufacturing, and route centre, and its bazaars are stocked with the richest fabrics and jewels of the East.

Aleppo (210,000), in the extreme north, is an important commercial, railway, and route centre. Its trade is chiefly in cotton and silk stuffs, tobacco, wine, oil, and indigo.

Jerusalem (90,000), the capital of Palestine, is a walled city in the heart of the hill country of Judaea, and is held sacred by Christians, Jews, and Mohammedans. It has a very central position; and can be easily defended, for it is surrounded on three sides by ravines. Many pilgrims visit the city.

Beirut (150,000), the chief port, is only 70 miles from Damascus by rail. It is visited by regular lines of French and British steamers. Its chief exports are madder, wheat, silk, wool, fruit, olive oil, and gums.

Alexandretta (Iskanderûn), (12,000) is the port of Aleppo and Antioch. It exports tobacco, wine, oil, and indigo.

Haifa (12,000), at the base of Mount Carmel, is well sheltered, and has prospects of increasing its trade.

Jaffa (Joppa), (55,000) is the port of Jerusalem. Its harbour is poor, and passengers and goods are landed in surf boats.

Tyre (12,000) is a port with a small local trade.

Tripoli (30,000) is a port with a small trade.

Latakia (10,000) is a small port, exporting tobacco.

Antioch (25,000), on the Orontes, the ancient capital of Syria, was the first great Christian city. The once great Phoenician ports of *Tyre* and *Sidon* are now represented by *Say*, a miserable fishing village and *Saida*.

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T.—This letter occurs in the following abbreviations—

T, Town, ton, tare
T B, Trial Balance
T E, Trade Expenses
T/O, Turnover
T O, Tel Quel (*qv*)
T F, Telegraphic Transfer,
Tr, Transfer

TABLE A.—When a company is limited by guarantee, or when the company is one which is unlimited (see COMPANIES), the memorandum of association must be accompanied by special articles of association, on application being made to register the company. The forms which are given in the third schedule of the Companies (Consolidation) Act, 1908, may be usefully consulted on this point. But in the case of companies which are limited by shares, the Act supplies, in its first schedule, a special table which may be adopted, in whole or in part, as the articles of association of the company. This table, known as Table A, was first put forward in the Companies Act, 1862, and remained in force until 1906, when it was altered to meet modern requirements, in accordance with the powers granted to the Board of Trade for that purpose by sect. 71 of the Act of 1862. The table which is now contained in the first schedule of the Act of 1908 is, with very slight verbal alterations, the revised table which was issued in 1906. The persons who are responsible for the drawing up of the articles of association, whether they are the promoters of the company or other interested parties, must make it quite clear whether they intend to adopt Table A, in whole or in part, and must set out the fact, showing which part, if any, of the table is applicable to the company. If there are no special articles of association accompanying the memorandum of association, then Table A applies automatically; but it is necessary that a notification of the fact that there are no articles of association registered with the memorandum should be indorsed on the memorandum itself. It is very rare, however, for any companies other than small ones to adopt Table A in its entirety, and it would be very unwise for a company of any dimensions to do so. For in this case it might easily find itself seriously hampered in its operations, especially when there are in any diverse and complicated interests involved. Even though some of the regulations of Table A are incorporated in the articles, it is just as well to have the whole set out, and not simply to make reference to them.

This Table A is so frequently mentioned that a very common mistake is made with respect to it. It is sometimes supposed that the table formed a part of the Companies Act, 1862, and that it was, therefore, applicable to all companies. This is

quite wrong. It had no reference at all to any companies except those which were registered without articles of association and those which specially adopted it. And the same is true of the revised table which is now printed in the Act of 1908. It can be taken or left at pleasure. It is, however, an excellent guide, and worthy of careful consideration. Further, where a company's registered articles are silent on any point and the operation of Table A is not excluded, any provision of Table A on the point in question is operative. The table may be altered from time to time by the Board of Trade. It is here set out in full.

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

Preliminary

1. In these regulations, unless the context otherwise requires, expressions defined in the Companies Act, 1908, or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined, and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

Business

2. The directors shall have regard to the restrictions on the commencement of business imposed by section eighty-seven of the Companies Act, 1908, if, and so far as, those restrictions are binding upon the company.

Shares

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the company may from time to time by special resolution determine.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two

persons at least holding or representing by proxy one-third of the issued shares of the class.

5—No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least five per cent. of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections eighty-five and eighty-eight of the Companies (Consolidation) Act, 1908, as may be applicable thereto.

6—Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any, not exceeding one shilling and on such terms, if any, as to evidence and indemnity as the directors think fit.

8—No part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

Lien

9—The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company, but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10—The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or bankruptcy to the share.

11—The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares

12—The directors may from time to time make calls upon the members in respect of any moneys

unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the company at the time or times so specified the amount called on his shares.

13—The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14—If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five pounds per cent. per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.

15—The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

16—The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17—The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent.) as may be agreed upon between the member paying the sum in advance and the directors.

Transfer and Transmission of Shares

18—The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members, in respect thereof.

19—Shares in the company shall be transferred in the following form or in any usual or common form which the creditors shall approve—

"I, A B of _____ in consideration of the sum of £ _____ paid to me by C D of _____ (hereinafter called 'the said transferee') do hereby transfer to the said transferee the share [or shares] numbered _____ in the undertaking called the _____ Company Limited, to hold unto the said transferee, his executors, administrators, and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [or shares] subject to the conditions aforesaid. As witness our hands the _____ day of _____

"Witness to the signatures of, etc."

20—The directors may decline to register any transfer of shares, not being fully-paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the

fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless—

(a) a fee not exceeding two shillings and sixpence is paid to the company in respect thereof, and

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

21.—The executors or administrators of a deceased sole holder of a share shall be the only persons recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the company as having any title to the share.

22.—Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

23.—A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of Shares.

24.—If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25.—The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of nonpayment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

26.—If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27.—A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28.—A person whose shares have been forfeited

shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.

29.—A statutory declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if any, given for the share on the sale or disposition thereof shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30.—The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by the way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of Shares into Stock.

31.—The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction reconvert any stock into paid-up shares of any denomination.

32.—The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33.—The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges, and advantages as regards dividends, voting at meetings of the company, and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34.—Such of the regulations of the company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stock-holder."

Share Warrants.

35.—The company may issue share warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence, if any, as the directors

may from time to time require as to the identity of the person signing the request, and on receiving the certificate, if any, of the share, and the amount of the stamp duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons, or otherwise, for the payment of dividends, or other money, on the shares included in the warrant.

36.—A share warrant shall entitle the bearer to the shares included in it, and the shares shall be transferred by the delivery of the share warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37.—The bearer of a share warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38.—The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share warrant. The company shall, on two days' written notice, return the deposited share warrant to the depositor.

39.—Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote, or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company, but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.

40.—The directors may from time to time make rules as to the terms on which (if they shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

Alteration of Capital

41.—The directors may, with the sanction of an extraordinary resolution of the company, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42.—Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time

within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43.—The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture, and otherwise as the shares in the original share capital.

44.—The company may, by special resolution—

(a) Consolidate and divide its share capital into shares of larger amount than its existing shares:

(b) By sub-division of its existing shares, or any of them, divide the whole, or any part, of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) of sub-section (1) of section forty-one of the Companies (Consolidation) Act, 1908:

(c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person:

(d) Reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

General Meetings

45.—The statutory general meeting of the company shall be held within the period required by section sixty-five of the Companies (Consolidation) Act, 1908.

46.—A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which the meetings are to be convened by the directors.

47.—The above-named general meetings shall be called ordinary meetings, all other general meetings shall be called extraordinary.

48.—The directors may, whenever they may think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section sixty-six of the Companies (Consolidation) Act, 1908. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

Proceedings at General Meetings.

49.—Seven days' notice at least (exclusive of the day on which the notice is served or deemed to

Directors.

68.—The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69.—The remuneration of the directors shall from time to time be determined by the company in general meeting.

70.—The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section seventy-three of the Companies (Consolidation) Act, 1908.

Powers and Duties of Directors.

71.—The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not, by the Companies (Consolidation) Act, 1908, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting, but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72.—The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way, and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases for any cause to be a director, or if the company in general meeting shall resolve that his tenure of office of managing director or manager be determined.

73.—The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74.—The directors shall duly comply with the provisions of the Companies (Consolidation) Act, 1908, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the company, or created by it, and to keeping a register of the directors, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions, and a copy of the register of directors and notifications of any changes therein.

75.—The directors shall cause minutes to be made in books provided for the purpose—

(a) of all appointments of officers made by the directors;

(b) of the names of the directors present at each meeting of the directors and of any committee of the directors;

(c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors, and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

The Seal.

76.—The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors, and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualifications of Directors.

77.—The office of director shall be vacated, if the director—

(a) ceases to be a director by virtue of section seventy-three of the Companies (Consolidation) Act, 1908, or

(b) holds any other office of profit under the company except that of managing director or manager; or

(c) becomes bankrupt; or

(d) is found lunatic or becomes of unsound mind, or

(e) is concerned or participates in the profits of any contract with the company;

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with or done any work for the company of which he is a director: but a director shall not vote in respect of any such contract or work, and if he does so vote his vote shall not be counted.

Rotation of Directors.

78.—At the first ordinary meeting of the company the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

79.—The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80.—A retiring director shall be eligible for re-election.

81.—The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82.—If at any meeting at which an election of directors ought to take place the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors, or such of them as have not had their places filled

up, shall be deemed to have been re-elected at the adjourned meeting.

83.—The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84.—Any casual vacancy occurring in the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85.—The directors shall have power at any time, and from time to time, to appoint a person as an additional director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86.—The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

Proceedings of Directors.

87.—The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

88.—The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89.—The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90.—The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

91.—The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

92.—A committee may elect a chairman of their meetings: if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93.—A committee may meet and adjourn as they think proper. Questions arising at any meeting

shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

94.—All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Dividends and Reserve.

95.—The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

96.—The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97.—No dividend shall be paid otherwise than out of profits.

98.—Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99.—The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

100.—If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

101.—Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to the share therein.

102.—No dividend shall bear interest against the company.

Accounts.

103.—The directors shall cause true accounts to be kept—

Of the sums of money received and expended by the company and the matter in respect of which such receipt and expenditure takes place, and

Of the assets and liabilities of the company.

104.—The books of account shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

105.—The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company

or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the directors or by the company in general meeting.

106—Once at least in every year the directors shall lay before the company in general meeting a profit and loss account for the period since the preceding account or (in the case of the first account) since the incorporation of the company, made up to a date not more than six months before such meeting.

107—A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount, if any, which they propose to carry to a reserve fund.

108—A copy of the balance sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

Audit.

109—Auditors shall be appointed and their duties regulated in accordance with sections one hundred and thirteen and one hundred and fourteen of the Companies (Consolidation) Act, 1908, or any statutory modification thereof for the time being in force.

Notices.

110—A notice may be given by the company to any member either personally, or by sending it by post to him to his registered address, or (if he has no registered address in the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the company for the giving of notices to him.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.

111—If a member has no registered address in the United Kingdom and has not supplied to the company an address within the United Kingdom for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

112—A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

113—A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of the representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, in the United Kingdom supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice

in any manner in which the same might have been given if the death or bankruptcy had not occurred.

114—Notice of every general meeting shall be given in some manner hereinbefore authorised to (a) every member of the company (including bearers of share warrants), except those members who (having no registered address within the United Kingdom) have not supplied to the company an address within the United Kingdom for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notices of general meetings. No other persons shall be entitled to receive notices of general meetings.

TABULAR BOOK-KEEPING.—Strictly speaking, any system of book-keeping in which the subsidiary books are analysed, the totals of such analysis columns being posted to the nominal ledger accounts, is tabular; but the term is now usually applied to a special system which has come into general use for hotels and other businesses in which the majority of the customers' accounts are only of short duration, and made up of small items, the system being based on the method of analysis.

In hotels, the day book is entered under each name with full particulars of everything supplied each day, the items being analysed and posted to the visitors' ledger, the left-hand columns in which are headed with the numbers of rooms and names of visitors, and the right-hand columns used for the accumulation of totals under each nominal ledger heading. The amount owing by each visitor is brought forward from day to day, so that his total indebtedness is readily ascertainable at any time, provision being made at the foot of each page for amounts paid, allowances, and balances carried forward to the next day.

It is this book which has earned the system the name of tabular book-keeping, nominal ledger totals and amounts owing being both shown in tabular form.

The cash book and purchases book should be in columnar form, the totals of their analysis columns providing the nominal ledger postings for the debit side of the accounts.

Examples of a visitors' ledger, invoice book, and cash book, are shown on the next page.

TABULATING MACHINES.—Modern business methods necessitate the computation of an ever-growing amount of statistical and accounting data, and the importance of substituting mechanical for manual labour is more and more being realised by business men. The adding and calculating machines are so ubiquitous as to be commonplace, but the Hollerith and Powers tabulating machines are not so widely known.

At the outset it is not asserted that this class of machine is suitable for all accounting and statistical work, for much of such work undoubtedly can be performed more economically on the adding machine, but where the data to be tabulated is of a complex nature consisting of a number of factors that are required to be tabulated in a number of categories the Hollerith or Powers system is of special utility. The machines were originally designed by Dr Hollerith to tabulate census figures, and have been used with enormous economies and much success on censuses of population and for the statistics of the National Registration Act, 1915. But their adaptability for business purposes is rapidly becoming known and they are being

driven. The type to be selected depends on the method of copying the data, but when it is copied on to the card in handwriting, it is expedient to use the key punch.

Gang Punching. Brief mention may here be made of the process of "gang punching," that is, the recording of common data on a number of cards. Should it be necessary to punch a thousand cards on which one or more of the groups of columns contain the same information, it would be time-saving to have some means of relieving the operator from punching these columns. In the Hollerith this is accomplished by using a "gang punch" which is a separate machine and punches only twelve or fifteen at a time. On the Powers, "gang punching" is achieved on the puncher by fixing the slides for repeated factors on one machine or by frung "gang holes" on the other. In the Hollerith Punch the cards are inserted and ejected by hand, and 400 to 500 cards of twenty-one columns can be punched per hour. In the Powers Punch, the feeding and ejecting is automatic.

The Verifiers. These machines are often overlooked when considering an installation of tabulating machines, and although the best operators average only one error in 200 cards, it is expedient to check every card, and when an error is discovered punch a new card. The Hollerith Verifier is a similar machine to the puncher. The operator works as if punching the card and if the second operation does not tally exactly with the first the machine stops and the column in which the error occurs is at once located, except if two holes have been punched in one column. Thus the check is purely mechanical and the rate of verifying is exactly the same as punching. In the Powers machine the cards are placed singly over a perforated plate under which is fixed an electric lamp, and a red light shows where the holes are wrongly punched. Thus the onus of the check is on the operator. The rate of verifying is about 85 per cent of the punching. Further, the Powers verifier will not discover omissions to punch in any one column, unless 0's have been automatically punched.

The Sorters. The main mechanical difference in the two systems is that in the Hollerith the whole mechanism of the sorter and tabulator is actuated by electrical contact as against mechanical contact in the Powers. Both systems claim their principle to be the best, but this is not really an important point of detail. The Hollerith claims to sort at 15,000 an hour, while the Powers claims 18,000, but in practice both machines sort roughly at the same rate for the Powers has a slightly greater tendency to jam. The Powers Company, are, however, introducing a new sorter capable of higher speeds and without any tendency to jam. In both machines one column is sorted at a time, and the setting of the machines for the various "sorts" is roughly the same. In the Powers system a series of counters is connected with each receptacle, so that the number of cards of every "sort" is obtainable, together with a grand total.

The Tabulators. The Tabulators are undoubtedly the most ingenious machines of the "sets" and owing to the distinct and different capabilities of each they should receive the most careful consideration for they will probably determine which system is to be adopted. In the Powers system the holes on each card are translated into type-writing and at the same time the groups that

represent factors that can be totalised are added and the totals printed for each section. If totals only are required for each batch of cards, a button will eliminate the recording of every card on the type-written sheet, and the totals only will be printed together with the designation of the group to which the totals relate. Carbon copies are obtainable so that a number of copies representing the details of each card with the totals of sections can be produced. All the fields or columns of a card are printed simultaneously and added if required, and further when a sheet has been inserted into the carriage of the machine, the operator can leave the machine and it automatically stops at the last card or at the end of the sheet.

In the Hollerith system, the contact of the brushes through the holes in the card electrically operates the counting wheels in the counters, and the figures in the adding columns on the card are thus shown on the dials. If stop cards have been inserted between, say, each Cost No. the machine will automatically stop at the end of each Cost No., when the totals can be written down and the dials zeroized. The operation of re-setting the counters to zero, automatically starts the machine on the next run of cards. By means of what may be termed a telephone switchboard, fitted on the front of each machine, two counters can be made to run in unison and if one of these is allowed to stand whilst the other is set to zero, gross totals for the whole of the run are obtained. The speed of operation is 9,000 per hour.

In comparing the merits of the systems it is essential to consider the speed at which they operate. Speed is undoubtedly the essential end in view, for statistics to be of any value at all must be produced quickly. Provided there is no gang punching to be done both punches work at roughly the same rate, but if there is a considerable amount of gang punching the Powers would appear to have the advantage although some users of both systems state that the speeds are roughly the same. The merits of the sorting machines are similar, and the slightly faster rate of the Powers is nullified by its greater tendency to jam, but in the future models the Powers may be the better sorter. The Hollerith verifier is faster than the Powers and being a mechanical check is not subject to the human element. The greatest difference is with the tabulators. In the Powers system the cards are translated, printed, and added at 3,500 per hour, while by the Hollerith they are translated and added at 9,000 per hour. In the Hollerith system it is therefore necessary to stop in order to write down the figures, but in some work this time is equivalent to placing, and afterwards taking out, spacing and totalling cards at the end of each group in the Powers system. In the Hollerith, therefore, there is a risk of error in copying, and the responsibility being with the operator the written totals cannot be regarded as absolutely accurate. Except on very long runs the operative speed is reduced by copying totals, whereas on the Powers the nominal speed of the machine is also its operative speed. If one or more printed records are required of the translation of each card the Powers system must be adopted, but if only totals are required the superior speed of the Hollerith for long runs is an important consideration. The proposition is therefore whether it is expedient to sacrifice speed in order to obtain a printed result, but the comparative speeds of the two tabulators must be

considered in relation to the work as the nominal speeds are not necessarily the operative.

None of the machines of either system, except the Hollerith Key, Gang and Verifying Punches, can be purchased, but are hired out to users at a monthly or yearly rental. The working costs of the machines are fairly high, but the increased output of work, the rapidity with which statistics can be furnished, and the saving in staff and accommodation to be effected by their use have been demonstrated by numbers of the largest firms. The machines can be applied to the general accounting and book-keeping system of the business, and are of special use in that important phase of accounting—cost keeping. The systems are undoubtedly capable of enormous developments as they permit of great adaptability for statistical and accounting data.

TACAMAHAC.—The bitter, resinous exudation of the *Terce tacamahaca* of Brazil. Owing to its pleasing odour, it is often used as incense. It is also employed in pharmacy in the preparation of certain ointments.

TACK.—In Scotch law, this is the same thing as a lease.

TACKING MORTGAGES.—When there are several mortgages upon the same property, the mortgagees are secured according to their positions. But it is always possible for a later mortgagee to strengthen his position if the charges have been made without his knowledge. Thus, suppose A, B, C, and D are first, second, third, and fourth mortgagees. The property may be declining in value, and D's chance of repayment out of the security very small. But if D had no knowledge of the mortgages to B or C, he can buy up A's charge and add it to his own, and he will thus gain priority over B and C for the amount of A's mortgage as well as his own. Similarly, always presuming that there was no knowledge of the mortgage, D can buy up B and thus shut out C. This is known in law as tacking.

TAEL.—(See FOREIGN MONETYS—CHINA, also FOREIGN WEIGHTS AND MEASURES—CHINA.)

TAKE UP A BILL.—This is a phrase used in banking business to signify the payment of a bill either to a banker or to the person who is the holder of it. The term is synonymous with "retiring a bill" (*qv*).

TAKERS-IN.—This is a term used in connection with the Stock Exchange settlement. A "taker in" is a broker who lends money against stock, *i.e.*, takes in stock, to a broker who requires to pay for a purchase. (See GIVERS ON.)

TALC.—A soft, whitish mineral, consisting chiefly of silica and magnesia, with a pearly lustre and a greasy feel. It is heat-resisting and non-conducting, and is used in the manufacture of lamp-chimneys, crucibles, porcelain clay, etc., and also for filling cloth and as a lubricant. Steatite (*qv*) is a variety of talc. The mineral occurs in combination in Scotland, the Pyrenees, the Tyrol, and the United States.

TALE.—The reckoning of goods by number and not by weight.

TALE QUALE.—This is an expression which is used in contracts when grain or other produce is sold "to arrive." It means that the goods as they lie are held to be the same as the sample supplied, but that the buyer takes the risk of any damage which may afterwards be sustained by the produce during the voyage.

TALLOW.—Animal fat, consisting of stearin, palmitin, and olein in varying quantities. It is generally obtained from beef and mutton by melting the fat at the lowest possible temperature. Pure tallow is a stiff grease of a whitish colour. It develops an unpleasant odour on exposure to the air. Adulteration is common, wool grease, cotton seed, and whiting being among the substances used for this purpose. Tallow is used in the manufacture of soap and candles, and as a lubricant. A kind of tallow is obtained from the seeds of the tallow tree of China and Japan. It is used for candle-making in those countries. The tree is also grown in the southern States of North America.

TALLYING.—The act of checking the accounts of another. One person counts whilst the other tallies or checks them.

TALLY TRADE.—A system of trading under which goods are supplied to customers on credit, a small payment down being made in the first instance and the remainder of the price being paid by instalments. At one time this method of dealing was confined within narrow limits, but in recent years it has spread in every direction and applies to all kinds of goods. (See HIRE-PURCHASE.)

TALON.—A certificate attached to transferable bearer bonds (usually the last portion of the coupon sheet), to be exchanged for an additional series of coupons as soon as those on the coupon sheet have all been presented and paid.

The following is an example—

"The A and B Bank of Egypt—Guaranteed Bonds—Talon to be exchanged for a new coupon sheet when all the coupons below have been exhausted.
"No. 17,843."

TAMARIND.—The fruit of the *Tamarindus indica*, a tropical tree of the leguminous order, growing in the East and West Indies. The preserved fruit is exported, being of some medicinal value. The bark is used as a tonic and astringent, while the wood is employed in cabinet-work. A yellow dye-stuff is obtained from the leaves.

TAMPICO FIBRE.—A fibre named after the port on the Gulf of Mexico, from which it is shipped. It is obtained from the leaves of the *Yucca bitorata* of Mexico, and is used for cordage, rugs, etc.

TAN.—(See FOREIGN WEIGHTS AND MEASURES—CHINA, JAPAN.)

TANGERINE.—A very sweet small variety of orange indigenous to the neighbourhood of Tanger in Morocco, and imported in great numbers into England.

TANNIN.—An astringent substance found in many plants, especially in oak bark, gall-nuts, dividivi, gambier, and sumach, which are all noticed under separate headings. Their chief use is for tanning leather, but tannin has also medicinal value in cases of diarrhoea, hemorrhage, etc.

TAPE PRICES.—By means of an ingenious telegraph instrument in stockbrokers' offices, vulgarly termed "the ticker," the current prices of various securities quoted on the Stock Exchange are at once made known in hundreds of different places. These records of prices and their fluctuations are collected and issued by the Exchange Telegraph Company, which is prohibited from supplying its service to other than members of the Stock Exchange, bankers, and newspapers. The prices collected by this means are not official, and they do not, therefore, have the same value as prices inserted in the

Official List. They are useful, however, in so far as they show the fluctuations that take place in the course of the day in numerous securities, and included in them by arrangement are numerous stocks and shares which are not quoted elsewhere. These prices are published in all the newspapers, and are known as "tape prices."

TAPIOCA.—A highly nutritious, farinaceous substance, consisting of the granulated starch of a species of manioc (*qv*). It is obtained from the root of the plant, and is carefully heated on hot plates. It appears in commerce as small lumps of irregular shape. The chief supplies come from Brazil and Singapore. (See CASSAVA.)

TAR.—A dark, viscous, liquid substance, consisting of a complex mixture of hydrocarbons. It is obtained as a product of the destructive distillation of coal, wood, and shale. It has a somewhat unpleasant odour, and is usually black in colour. Coal tar (*qv*) is the source of a large number of the aniline colours. By distillation, it is separated into gases, ammoniacal liquor, light oil, dead oil, and pitch. Wood tar is largely obtained in connection with the preparation of wood charcoal by the combustion of pine trees. It is thick and strong smelling, and is useful as a source of creosote (*qv*) and pitch (*qv*), both of which are, however, also obtained from coal-tar. Tar is used as a coating for preserving iron, timber, cordage, etc. It has also valuable antiseptic properties, and is employed medicinally for bronchitis and, in the form of an ointment, for skin diseases. Shale tar is of importance as the source of the paraffin (*qv*) of commerce.

TARE AND TRET.—Tare is an allowance for the weight of the case, cask, bag, wrapper, etc., in which goods are contained or packed, and may be calculated in different ways, according to the nature or custom of the trade. Actual, particular, or real tare, signifies that the package has been separately weighed before the goods were packed. Average tare signifies that the real tare of a few out of the whole number of packages is taken as an average for the whole. Customary tare is a fixed allowance off the gross weight of certain goods, such allowance being determined by the custom of trade, the packages being of uniform weight and size. Estimated or computed tare explains itself. Super-tare is an extra allowance made in certain cases when the packages exceed a certain weight. Estimated or computed tare and supertare are rarely used.

Tret represents an allowance for wear, damage, waste, dust, etc., and is a term which is now almost obsolete.

TARIFF.—The word "tariff" is derived ultimately from the Arabic through the Spanish *tarifa* = a list or schedule of prices. It is used in general for any list of prices; we may, for instance, speak of the schedule of steamboat fares, or of fixed charges in hotels and the like, as tariffs. In the more restricted sense, however, it signifies *the table or list of articles on which import or export duties are levied, together with the amount of the duty levied*. And hence, in current controversy it is used as a collective term for the duties themselves, or for the law or code imposing those duties.

It was the long-continued and in some respects bitter and savage battle between Free Trade and Protection that really aroused people's interest in the tariff. The result of the conflict had been a complete reversal of our commercial system from

one of narrow restriction to one of unlimited competition. But another result was that people had been taught to understand that the Budget was not simply a matter of arithmetic, but that in a thousand ways it affected the well-being of men and the strength of the country. We are to-day, indeed, prone rather to exaggerate than to undervalue the effects of the tariff. The partisans of Protection announce the ruin of the country through Free Trade; the upholders of Free Trade attribute the prosperity, "increasing by leaps and bounds," of the country to the liberation of intercourse. But the industrial prosperity of a nation depends on many causes, and of these its tariff is not the most important.

However, when there is an intelligible and intelligent principle governing a tariff, its effects are bound to be better than when no definitely realised plan obtains, and taxes are imposed haphazard or at the dictation of interests, not the most weighty, but the most audible. Before the valuable report of the Select Committee on Taxation (1840) appeared, our tax system had been a mass of absurdities and inconsistencies. About 1,200 articles were subject to Customs duty, and the system, or lack of system, in general and in detail, received severe criticism from the committee.

Here is the paragraph from the Report which describes the attitude of mind that brought about our present system: "The Tariff of the United Kingdom presents neither congruity nor unity of purpose, no general principles seem to have been applied. The Tariff often aims at incompatible ends, the duties are sometimes meant to be productive of revenue and for protective objects, which are frequently inconsistent with each other, hence they sometimes operate to the complete exclusion of foreign produce, and in so far no revenue can, of course, be received; and sometimes, when the amount of duty is inordinately high, the amount of revenue becomes in consequence trifling. They do not make the receipt of the revenue the main consideration, but allow that primary object of fiscal regulations to be thwarted by an attempt to protect a great variety of particular interests, at the expense of the revenue, and of the commercial intercourse with other countries. Whilst the Tariff has been made subordinate to many small producing interests at home, by the sacrifice of Revenue in order to support these interests, the same principle of preference is largely applied, by the various discriminatory duties, to the produce of our Colonies, by which exclusive advantages are given to the Colonial interests at the expense of the Mother Country." We need only remark with reference to this crushing indictment, that all do not allow that the revenue is the primary object of fiscal regulations (see the article on PROTECTION), and that the principle of preference, even if it involves a slight loss, is advocated by many (see the article on PREFERENTIAL TARIFFS).

The progressive change, of which the great steps were taken in 1842, 1846, 1853, and 1860, has resulted in our possession of a tariff, which is in general marked by four distinctive features—

1. **Freedom of Raw Materials from Taxation.** Said Gladstone: "If you want to benefit the labouring classes and to do the maximum of good, it is not enough to operate upon the articles consumed by them, you should rather operate on the articles that give them the maximum of employment." You should, that is, extend the area of

trade by steadily removing restrictions. The advocate of a "reform" in the tariff will say that his object, too, is the fostering of industry rather than the cheapening of goods; and in other respects a certain latitude is given to the "rule." Sugar, for instance, which is a raw material for the confectionery and biscuit industries, is subject to a moderate revenue duty, first imposed in 1901 as a temporary war duty, but apparently now a permanent item in our fiscal regulations. The slight duty on cocoa, too, may limit to some extent the chocolate making industry, as the duty on tobacco may restrict the capital and labour employed in cigarette making; but the intention is to tax only what is ready for consumption.

2 Freedom of the Means of Subsistence. The Government should not be an agent in reducing still further an income which is all expended on necessities. A "free breakfast table" is still the most popular cry, and the contrast between the big loaf and the little loaf is yet the most effective Free Trade argument. The fact that the continuance of the ability to earn the big loaf may be precarious, makes no very stirring appeal. The shilling duty on each quarter of imported corn and flour, imposed in 1902, aroused such hostility that it had to be removed the next year.

In our attempt to confine our indirect taxes to "luxuries," we meet, indeed, several difficulties. When we tax tea or sugar are we taxing a "luxury" or a "necessary"? And if we raise the duty on a luxury like tobacco, is it quite certain that the tax would not trench on "necessaries"? Would not the consumer of tobacco be unwilling to limit his consumption and, in order to get his "allowance" of tobacco, lessen the amount he spends on "a bare subsistence"?

3. Removal of All Duties for Protective Purposes, or for encouraging one industry or one producer, whether home, colonial, or foreign, more than another. This point is discussed in the article on PROTECTION. Here we make two suggestions: First, any system of import duties must afford some slight encouragement to the home producer, even if the import duties are accompanied by corresponding excise duties. It is, of course, obvious that the sugar tax is an artificial encouragement to the growing of sugar beet. But the duties on wine and other alcoholic drinks, though they give no encouragement to the home brewer or the whisky distiller, may likewise increase the scope for employment of capital in the making of mineral drinks; and the duties on dried fruits—currants, figs, raisins, and the rest—may "protect" the home fruit grower; but such protection is only incidental.

The second point is that, if the encouragement of a particular industry is for the general good, the fairest way to encourage it is by a bounty rather than by a protective duty, for the bounty is paid by the whole community that benefits; the protective duty taxes only the consumers of the particular product through a rise in price. Subsidies to shipping are, however, the only import relief of the bounty system; and the bounties are given here not primarily for protection of industry, but as a military exigency forced upon a nation by the hostility of its neighbours. They are justified by the necessity of keeping up a "nursery of seamen" for the Navy; and as Mill himself admits: "A country exposed to invasion by sea, if it cannot otherwise have sufficient ships and sailors of its own to secure the means of manning, on an

emergency, an adequate fleet, is quite right in obtaining those means, even at some economical sacrifice, in point of cheapness of transport." France has gone furthest in this direction; and it has an elaborate system of bounties both for building and working ships. Under this system it is possible for a French vessel to wander profitably from port to port with less freight charges than pay the wages of the crew.

4. Adoption of a Simple and Intelligible Tariff, so as not to hamper trade more than is demanded by the necessity under which the State lies of obtaining the revenue that is the condition of its existence. The fiscal regulations of the United States may, in their complexity and number, with their *ad valorem* duties and drawbacks, be compared with our tariff before its simplification at the hands of Huskisson, Peel, and Gladstone. "At the time (1820) the system of prohibition, protection, and fiscal confusion was at its height. It was said by competent authorities that the number of Acts of Parliament relating to the entry, export, and custody of goods as matters of Custom House supervision was not less than fifteen hundred. All the special interests were in full possession of the vested rights to which they laid claim . . . There were heavy duties on raw materials of industry, and prohibitive or extravagant duties on foreign manufactures." Our present schedule of a dozen or so articles contrasts oddly with that examined by the Committee of 1840, when about twelve hundred items were enumerated; when, in the financial year 1839-40, crystal beads, subject to 28s. 6d. per 1,000, gave 1s. 7d. revenue, showing that fifty-five had been imported—or, at any rate, had come under the notice of the revenue officers. Starch, at a duty of £9 10s. per cwt., gave 1s. 9d. duty, indicating that 1 lb. had arrived; and the Treasury benefited from Bruges thread, charged 15s. for 12 lbs., to the extent of 1s. 3d.

In our wish to simplify the tariff, we have abolished *ad valorem* and adopted specific duties. The latter duties are, of course, a flagrant injustice to the consumers of inferior qualities, unless, as they are in our case, compensated by taxes such as the income tax, from which the poor are exempt. Theoretically, *ad valorem* duties are the fairer, but the difficulty of fixing value and of adjusting the tax to the value, and the presence of an arbitrary element in the imposition, have caused them to be discarded from our system. The finest tea, as well as the poorest, pays the same rate per lb.

We have also narrowed the basis of taxation. It has seemed good to maintain comparatively high duties on a small number of articles of universal or very general consumption, rather than to spread the burden over a large number of articles. Fewer employments are in this way interfered with, the cost of collection is lessened, and the tariff is simplified. A drawback in regard to the high duties may, however, lie in the fact that they furnish powerful motives to evasion, and the breaking of the law in one direction may lead to its being despised in all other respects. Revenue is dearly obtained when it has raised up a class of lawless characters, smugglers or illicit distillers and others.

Export duties are absent from our tariff. The Budget of 1901 imposed an export duty of 1s. per ton on coal. The tax, being on a "necessary" to foreign countries, would be borne by the foreigner; if it did limit exportation, it would tend to preserve our valuable—and exhaustible—stock

of coal; it would yield as much as a penny in the pound on income tax: but these considerations did not prevent its unpopularity with the coal exporters, on the ground that it placed them at a disadvantage in foreign markets. They made their voices heard, and the tax was withdrawn in 1905 [The "Tariff Reform" movement, initiated by Mr. Chamberlain in 1903, is noticed under PREFERENTIAL TARIFF.]

TARTAR, CREAM OF.—A white, crystalline compound, obtained by purifying crude argol (*qv*). It has some medicinal value as an aperient, and is also used as baking powder. It is sometimes called bitartrate of potash.

TARTARIC ACID.—An important acid occurring in the grape and many other plants, and obtained chiefly from the deposit known as argol (*qv*) found in wine casks. It appears in the form of white transparent crystals easily soluble in water, and with a sour taste. It is much used in calico printing, in the manufacture of baking powder and of various effervescing drinks. Among the salts obtained from it, the chief are cream of tartar (*qv*), Rochelle salt (*qv*), and tartar emetic.

TASMANIA.—Position, Area, and Population. Tasmania, "the Switzerland and Sanatorium of the South," is a heart-shaped island, situated at the southern extremity of Australia, and separated from it by Bass Strait, about 120 miles wide. Including Hunter Islands, Flinders, King, and other islands, its total area is over 26,000 square miles, or almost equal to that of Scotland. Its population is nearly 209,000.

Coast Line. The coast line is generally bold and rocky, especially in the west. Most inlets are found on the east and south coasts, but good harbours occur on all the coasts. Among these are Macquarie Harbour and Port Davey in the west, Port Dalrymple in the north, and the estuary of the Derwent in the south.

Build. Tasmania is essentially a dissected highland region, and though it contains no long ranges, it has fifty peaks over 2,500 ft. high. Among these the chief are Cradle Mountain (5,069 ft.), and Ben Lomond, almost as high. A high tableland, rising to heights of 2,000 to 3,000 ft., occupies the middle and a great portion of the western half of the island. On the east of the plateau the land is fairly level and low, and provides good grazing ground. The lakes are situated in the centre of the plateau, and of these the chief are Great Lake, about the same size as Loch Lomond in Scotland, and Lake St. Clair. From the central lakes the river Tamar flows northwards and the Derwent southwards.

Climate. The climate of Tasmania is healthy, invigorating, and equable, largely owing to its elevation, and proximity to the sea. The winters are milder than in England, and all temperate vegetables and fruits can be grown with great success. Hobart in its temperature statistics illustrates well the equability of the climate; it has an average mean temperature for spring of 52° F., for summer 62° F., for autumn 55° F., and for winter 45° F. The rainfall is abundant in many parts of the colony, and droughts are almost unknown. Westerly winds are the prevailing ones, and hence the west coast has the heaviest rainfall, varying from 80 to 110 in. In the interior the rainfall sinks to between 20 and 30 in., but rises again on the east and south coasts to between 30 and 40 in. The pure, clear atmosphere and high percentage of sunshine lend aid to agriculture and horticulture.

Products and Industries. The Pastoral Industry is somewhat restricted by the extent of the forests, but will doubtless soon become of increased importance. The pastoral area is now largely under artificial grasses. There is excellent pasturage for stock in the north, west, north-east, midland, and south-east districts of the State; and stock may be kept in the open throughout the winter. Sheep are the chief animals reared, and about 2,000,000 are fed, and these mainly in the midlands round Longford and Hamilton, where the rainfall is light. The breeding of stud animals—horses, cattle, and sheep—for export to other colonies is a profitable industry. Cattle, to the number of 200,000, are well distributed throughout the colony.

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mountainous character of the country. The Tamar is the most important river for commerce, and is navigable to Launceston, 40 miles from its mouth. There is a considerable coasting trade, and regular lines of steamers run from Hobart and Launceston to Victoria, New South Wales, New Zealand, and the United Kingdom.

Commerce. The exports are wool, gold, tin, silver, timber, fruit and jam, hops, grain, hides, and skins, and the imports consist of textile machinery and hardware, and provisions. Most of the trade is carried on with the neighbouring colonies of Victoria and New South Wales, and the United Kingdom.

Trade Centres. Hobart and Launceston are the largest towns.

Hobart (40,000), the capital of Tasmania, is a picturesque town on the river Derwent, and is situated on rising ground at the base of Mount Wellington. It possesses a fine harbour, and has some small local industries, including flour mills, jam factories, woollen mills, tanneries, and iron works. Its trade is mainly with Sydney.

Launceston (24,000), at the head of the navigation of the Tamar, is a fine city, and the chief town of the north. Its carrying trade is fed by the small ports of Stanley and Burnie, and it trades largely with Melbourne.

Mails are despatched every Friday via Italy, and there are supplementary services. Hobart is 13,250 miles distant from London, and the time of transit is about thirty days.

For map, see AUSTRALIA.

TASTING ORDER.—This is an order chiefly found in connection with the wine and spirit trade, by which an authority is given to the person or persons who has or have the care and custody of wines and spirits to allow the bearer to taste samples of such as are mentioned in the order. The order is issued by the owner or the seller, and it is of great service in commerce, since intending buyers are thus enabled to test the quality of the various articles kept in store.

TAXATION.—It is remarkable to what extent the State must now be regarded as partners in business enterprise and as a party interested even in the domestic circumstances of its subjects. A normal example is that the transfer of a property frequently brings liability to income tax, super tax, excess profits duty, corporation profits tax, and stamp duties, whereas the property itself may be liable to house duty, land tax, and various licence duties.

With the exception of income tax and super tax, all the other branches of taxation are dealt with under separate headings, and consideration will be given, in the present article, to the very important income and super taxes.

Income Tax. The incomes subject to taxation are those derived from any source in the United Kingdom, whether by residents therein or not, and, in the case of residents in the United Kingdom, those derived from foreign securities, stocks, shares, and rents, less the amount of any charges thereon payable to a person resident abroad. It makes no difference whether the recipients are subjects or aliens.

The above are the fundamental rules to be recollected in connection with the income tax, and are here stated at the head of this article, although referred to under different sections later on.

For the purpose of convenience, taxable incomes are divided into five classes or schedules—

Schedule A. Incomes from property in lands and buildings.

Schedule B. Incomes from the occupancy of certain lands.

Schedule C. Incomes by way of interest and dividends arising out of the public funds.

Schedule D. Incomes by way of profits from professions, trades, or other callings; also interest.

Schedule E. Incomes by way of annuities, salaries, etc., payable out of the revenues or the funds of public companies.

Schedule A. Property tax, or income tax under Schedule A, is charged in respect of the ownership of lands, tenements, hereditaments, and heritages in the United Kingdom.

Duty is charged under Schedule A at the current rate of the tax for every 20s. of the annual value of the subject assessed.

The annual value of property to be assessed is estimated (with the exception of special properties) under a general rule. This rule extends to all lands, tenements, hereditaments, or heritages capable of actual occupation, and provides that the annual value shall be taken to be the rent by the year at which the same are let at rack-rent, if the amount of such rent has been fixed by agreement within seven years; if not so let at rack-rent, then at the rack-rent at which the same are worth to be let by the year. When a landlord pays out of the rent any parochial rates, taxes, and assessments chargeable on the occupier, the annual value is estimated exclusive of those payments (taken as the actual amounts paid in the preceding year). Where a tenant contracts to pay aids, taxes, or assessments chargeable on or payable by the landlord, the amount thereof paid in the preceding year is added to the rent or estimate under the general rule.

If the annual value cannot be otherwise ascertained, the assessment should be made on the sums in the poor rate, if rated at the full value, or on sums proportionate to those in the poor rate, if rated proportionately to the full value.

Returns of lands and property are required (See RETURNS). In the case of houses, tenements, or lands of an annual value of less than £10, the assessor may estimate the annual value without requiring a return, unless the surveyor objects to his estimate. The production of any lease may be required.

When land is let at a reserved rent in consideration of improvements by the tenants, the rent being settled on the medium annual value in the expectation of a progressive improvement, the assessment under Schedule A should be made on the reserved rent. (The assessment under Schedule B should be made on the rack-rent for the term of the lease, ascertained at the commencement of the demise.)

Duty may not be levied on any house for a period during which it is unoccupied.

The Commissioners, inspectors, and accessors, or persons authorised by them, may at all seasonable times inspect the rate-books and take copies or extracts without payment of any fee.

The Commissioners may make an order for the assessors, inspectors, and surveyors, with a person of skill, to inspect the lands or property after two days' notice, and at all seasonable times in the day-time.

of coal; it would yield as much as a penny in the pound on income tax: but these considerations did not prevent its unpopularity with the coal exporters, on the ground that it placed them at a disadvantage in foreign markets. They made their voices heard, and the tax was withdrawn in 1905 [The "Tariff Reform" movement, initiated by Mr. Chamberlain in 1903, is noticed under PREFERENTIAL TARIFF.]

TARTAR, CREAM OF.—A white, crystalline compound, obtained by purifying crude argol (*qv*). It has some medicinal value as an aperient, and is also used as baking powder. It is sometimes called bitartrate of potash.

TARTARIC ACID.—An important acid occurring in the grape and many other plants, and obtained chiefly from the deposit known as argol (*qv*) found in wine casks. It appears in the form of white transparent crystals easily soluble in water, and with a sour taste. It is much used in calico printing, in the manufacture of baking powder and of various effervescing drinks. Among the salts obtained from it, the chief are cream of tartar (*qv*), Rochelle salt (*qv*), and tartar emetic.

TASMANIA.—Position, Area, and Population. Tasmania, "the Switzerland and Sanatorium of the South," is a heart-shaped island, situated at the southern extremity of Australia, and separated from it by Bass Strait, about 120 miles wide. Including Hunter Islands, Flinders, King, and other islands, its total area is over 26,000 square miles, or almost equal to that of Scotland. Its population is nearly 209,000.

Coast Line. The coast line is generally bold and rocky, especially in the west. Most inlets are found on the east and south coasts, but good harbours occur on all the coasts. Among these are Macquarie Harbour and Port Davey in the west, Port Dalrymple in the north, and the estuary of the Derwent in the south.

Build. Tasmania is essentially a dissected highland region, and though it contains no long ranges, it has fifty peaks over 2,500 ft. high. Among these the chief are Cradle Mountain (5,069 ft.), and Ben Lomond, almost as high. A high tableland, rising to heights of 2,000 to 3,000 ft., occupies the middle and a great portion of the western half of the island. On the east of the plateau the land is fairly level and low, and provides good grazing ground. The lakes are situated in the centre of the plateau, and of these the chief are Great Lake, about the same size as Loch Lomond in Scotland, and Lake St. Clair. From the central lakes the river Tamar flows northwards and the Derwent southwards.

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fishings, rights of market and fairs, tolls, railways and other ways, bridges, ferries, and other concerns of like nature, are assessable according to the rules of Schedule D, but on the profits of the year preceding.

Schedule B. Duty is chargeable on twice the annual value adopted under the general rule of Schedule A. It is charged on all properties assessed under that rule, except dwelling-houses not occupied under one demise, with a farm of lands or tithes for the purpose of farming such lands or tithes, and except warehouses or other buildings occupied for the purpose of carrying on a trade or profession. It is paid and borne by the occupier.

Profits arising from lands occupied as nurseries or gardens for the sale of the produce are estimated under the rules of Schedule D. Any person occupying lands for the purposes of husbandry only may elect to be assessed under Schedule D by giving notice by June 5th in each year. A person so occupying lands and making a loss may appeal at the end of the year. (See APPEALS)

Schedule C includes profits arising from interest annuities and dividends, and shares of annuities payable out of any public revenue, whether British, Colonial, or foreign. The duty is assessed by the Special Commissioners on the persons and bodies entrusted with the payment of the income concerned. These persons and bodies are required to deliver to the Board of Inland Revenue written statements showing their names and residences and particulars of the sums entrusted to them for payment. The statements must be delivered within one calendar month of the publication in the *London Gazette* of a notice requiring them. On demand, the persons referred to must deliver, for the use of the Special Commissioners, accounts of all amounts payable by them. Duty must be paid to the Board's account in the Bank of England, and a corresponding deduction may be made in paying the annuities to the persons entitled thereto. The Commissioners are not bound to assess annuities, etc., entrusted to the Bank of England or to the National Debt Commissioners, where the half-yearly payment does not amount to 50s. (The interest on certain War Loans also is paid without tax being deducted.) In such cases duty is chargeable on liable persons under Schedule D, Case III.

Liability extends to dividends, etc., where the right or title of the person to whom they are payable is shown by the registration of his name in any book or list ordinarily kept in the United Kingdom. Income tax is not payable, however, in respect of the interest or dividends of any foreign or Colonial possession where it is proved to the Board that the person owning the securities and entitled to the interest is not resident in the United Kingdom. Any repayment of duty must be claimed within six months after the year of charge.

The expression "person entrusted with payment," referred to above, includes (a) any banker or person acting as a banker who sells or otherwise realises coupons for bills of exchange; (b) any person who, by means of coupons (including warrants for bills of exchange, etc.), obtains payment of dividends elsewhere than in the United Kingdom; (c) any dealer in coupons purchasing coupons for dividends (save such as are payable in the United Kingdom only) otherwise than from a banker or another dealer. Such persons, having performed all acts necessary to the assessing and paying of the duty,

are entitled to not less than 3d. in the £ on the amount paid. No obligation is imposed on any banker or other person to disclose any particulars relating to the affairs of any person on whose behalf he may be acting.

Exemptions are allowed to friendly societies, savings banks, charitable trusts (and for stock applied solely to the repairs of any building used solely for the purpose of divine worship), to foreign ministers, and to the Crown. All claims must be made in writing to the Special Commissioners.

Schedule D. The most profitable source of income tax is Schedule D, and the tax is charged under it—

(1) on any person residing in the United Kingdom, in respect of annual profits and gains arising from any property or any profession, trade, employment, or vocation, whether situate or exercised in the United Kingdom or not;

(2) on any person, whether resident in the United Kingdom or not, in respect of the annual profits or gains arising from any property or any profession, trade, employment, or vocation situate or carried on in the United Kingdom;

(3) in respect of interest (see under INTEREST) and other annual profits not charged in any other schedule.

On the ground that trading requires two parties, it has been held that the annual surplus realised on the business of a mutual life insurance company (whose policy holders and members are identical) is not profit assessable to income tax; also that moneys received by a local authority from a compulsory water rate in its own district fall similarly without the term "profits."

Where a company sells its assets (such as investments, lands, etc.) as an essential feature of its business, any surplus realised is held to be assessable. The profits of a person who systematically bets at race-meetings are also assessable.

It has been held that it is immaterial that the profits of a trade are applied to an object indicated by Act of Parliament, to public purposes, to charity, or to the repayment of debts.

Any British subject whose ordinary residence has been in the United Kingdom, and who has gone abroad for the purpose of occasional residence, is chargeable as a resident. Any person who is in the United Kingdom for some temporary purpose is only chargeable as a resident after six months' residence in the United Kingdom, or if he has claimed exemption as a non-resident and departed abroad and returned during the same year of assessment.

It has been held that the following persons are chargeable as residents: A master mariner who is abroad the whole year, but whose wife and family reside in the United Kingdom; a merchant who is ordinarily resident in Italy, but who resides in the United Kingdom for several months in the year; an American citizen who spends about two months a year, in the shooting season, in a house in Scotland rented by him. Companies are regarded as resident in the United Kingdom if the seat of management is here.

Cases heard on the claims of British residents that their profits are derived from businesses carried on abroad have been decided on the question of management. Where the centre of management is in the United Kingdom, it has been held (even in the cases of companies registered abroad) that the business is carried on here.

The profits are estimated in the following manner—

Case I. Profits in respect of any trade, manufacture, adventure, or concern in the nature of trade—on the average profits of the three preceding years ending on April 5th or on such day of the year immediately preceding on which the accounts have been usually made up. If the concern has been set up within the three years, the profits must be computed on the average from its commencement. If it has been set up within the year of assessment, the profits should be estimated according to the rule for Case VI.

Case II. Profits in respect of professions, employments, or vocations—on the average profits as in Case I. The profits assessed under Cases I and II must exclude the profits derived from lands, etc., occupied for the purposes of the concern.

Case III. Profits of an uncertain value (including interest not being annual interest, and the profits of a dealer in cattle or a seller of milk not covered by the assessment under Schedule B)—on the profits of the preceding year.

Case IV. Profits in respect of interest arising from foreign and Colonial securities (except those charged under Schedule C)—on the full amount of the sums received in the United Kingdom during the year of assessment.

Case V. Profits in respect of sums or value received in the United Kingdom from foreign or Colonial possessions—on the average stated in Case I.

Case VI. Profits not falling under any other schedule or under Cases I to V—on such average as the case may require or the Commissioners direct.

The computation of duty in respect of any trade, manufacture, adventure, or concern, or any profession carried on by two or more persons jointly is made jointly and in one sum, separate and distinct from any other duty chargeable on the same persons. A return is required from the partner first named in the deed of partnership or, where there is none, from the partner named singly or with precedence in the usual name of the firm, unless he does not act, when the duty falls to the precedent acting partner resident in the United Kingdom. The return must be made on behalf of all the partners, and must show their names and addresses. Where no partner is resident in the United Kingdom, the return should be made by the agent, manager, or factor resident in the United Kingdom, but the assessment should be made on the partnership. The Commissioners may require particulars from all partners as from the precedent partner.

Profits are assessable on the averages referred to, notwithstanding any change in partnership (either by death or dissolution of partnership as to all or any of the partners, or by admitting any other partner), or the succession of another person to the concern before the time of making the assessment, or within the period for which the assessment ought to be made, unless the partners or the person succeeding prove to the Commissioners' satisfaction that the profits have fallen short, or will fall short, from some specific cause since the change or succession took place, or by reason thereof. Where a tramp steamship was sold without the transfer of books or customers, it was held that a new business had been set up. Where, however, a small bank was taken over by a large one, and also where a private concern was converted into a limited liability company, it was held that the respective businesses were

succeeded to and should be assessed on the average profits. The words "specific cause" have been held to include an exceptional and extraordinary depression of trade.

If a person ceases, within the year of assessment, to carry on a concern and is succeeded by another person, the Commissioners may apportion the duty between them.

A person carrying on more than one trade, manufacture, adventure, or concern in the nature of trade, may set any loss sustained in one of them against the profits of another.

Householders (except persons engaged in trade, etc.) are chargeable where their dwelling-houses are situate. Persons engaged in trade, etc., are chargeable where it is carried on. Persons who are not householders, nor engaged in trade, are chargeable at their ordinary place of residence. Any other persons are chargeable at their places of residence at the time the general notices for returns are given, or where they first come to reside after that time. Manufacturers are chargeable at the place of manufacture and not at the place of sale.

A person who is entrusted with the payment of any interest, dividends, or annual payments payable out of or in respect of the stocks, funds, or shares of any foreign or Colonial company or concern, is required to do all acts necessary to the assessing of the duties, as shown as regards remittances from foreign public revenue (see under Schedule C). Income tax is not payable, however, in respect of any foreign or Colonial interest or dividends payable in the United Kingdom, where it is proved to the Board of Inland Revenue that the person owning the securities and entitled to the interest or dividends is not resident in the United Kingdom. Repayment of duty may be claimed within six months of the end of the year of charge.

In estimating profits for assessment, deductions may not be made in respect of the following items—

(1) The repairs of premises or of implements beyond the average expenditure in the three preceding years.

(2) Any loss not connected with or arising out of the concern.

(3) Any capital withdrawn, or any sum intended to be employed as capital, or any capital employed in the improvement of the premises. It has been held that no deduction may be made in respect of depreciation of capital, except that allowed by express enactment. (See DEPRECIATION.) Allowances have also been refused in respect of the exhaustion of the ground of a cemetery company and of a company engaged in extracting nitrate. The following expenses are also regarded as being of a capital nature: The loss incurred by a company in lending money to a subsidiary company; interest paid on borrowed capital (even though not annual interest); money paid to the manager of a business purchased, in commutation of his salary; a bonus payable on the repayment of borrowed capital; the expenses incurred in removing a business to other premises; sums spent in improving a railway line; sums set aside for the expenditure of future years in restoring gasworks purchased in a defective condition.

(4) Any interest which might have been made on the capital of the concern.

(5) Any debts, except bad debts, proved to the satisfaction of the Commissioners.

(6) Any loss beyond the actual amount thereof.

(7) Any sum recoverable under an insurance or contract of indemnity.

(8) Any annual interest or other annuity, or other annual payment. It has been held that no deduction may be made in respect of interest paid to debenture holders residing in Egypt, where the property was situated.

(9) Any disbursements or expenses not wholly or exclusively laid out or expended for the purposes of the concern. Deductions have been refused in respect of the following payments: Income tax paid in the United Kingdom (Colonial income tax may be deducted); a subscription to secure an indemnity in the event of stoppage of work; compensation paid to a visitor in an hotel for injuries caused by a falling chimney; payments made by brewers for the right to call for the surrender of licensed houses.

(10) Any disbursements or expenses of maintenance of the persons assessed, their families or establishments.

(11) The rent or value of any dwelling-house or part thereof, except such part as is used for the purposes of the concern, on account of which a deduction may be made of a sum not exceeding two-thirds of the rent paid or of the annual value reduced by the allowance for repairs. It has been held that the amount of the premium paid for a lease must be disregarded.

(12) Any sum expended in any other domestic or private purpose distinct from the purposes of the concern.

Income tax is charged under Schedule E in respect of every public office of employment or profit, and upon every annuity, pension, or stipend payable by the Crown or out of the public revenue of the United Kingdom, except annuities chargeable under Schedule C.

Duty is charged on persons having or exercising an office, or to whom the annuities, pensions, or stipends are payable. The schedule includes any office belonging to either House of Parliament, any court of justice in England, Scotland, Wales, the Duchy of Lancaster or Cornwall, any criminal, judicatory, or ecclesiastical court; any court of admiralty, commissary court, or court-martial; any public office held under the civil government of His Majesty, or in a county palatine or Duchy of Cornwall, any commissioned officer of the Army, Navy, Militia, or Volunteers; any office or employment of profit under an ecclesiastical body, or under any public corporation, or under any company or society, whether corporate or not corporate, or under any public institution or public foundation of whatever nature, any office or employment of profit in any county, riding, etc., or in any city, borough, town corporate, or place, or under any trusts or guardians of any fund, etc., in such county, etc.; and every other public office or employment of profit of a public nature.

Liability extends to "all salaries, fees, wages, perquisites, or profit which accrue by reason of office." It has been held that this description includes Easter offerings made to a clergyman by his congregation, and other voluntary subscriptions and grants given because of the office held by the recipient.

Assessments are in force for one whole year, and may be levied for that year without a new assessment being made, notwithstanding any change during the year. If a person dies, his executors are liable for arrears of duty. If the annuity, pension,

or stipend ceases within the year, a portion of the assessment may be discharged. When any person becomes entitled to any additional salary, fees, or emoluments, beyond the amount of his liability at the commencement of the year, he is chargeable for the same by additional assessment.

Perquisites (which are described as such profits of offices and employments as arise from fees or other emoluments, and are payable either by the Crown or by the subject) may be estimated either on the profits of the preceding year or on the average amount in the three preceding years, such years ending on April 5th, or such other day on which the account of the profits has been usually made up.

Deductions may be made of such duties or other sums chargeable on the office by Act of Parliament as are really and *bond fide* paid and borne by the person charged. Also there may be deducted all official deductions and payments made from the salaries, fees, wages, perquisites, profits, or pensions, if a due account thereof is rendered to the satisfaction of the Commissioners. In assessing duty in respect of any public office or employment, where the person exercising the same is necessarily obliged to incur and defray out of the salary, fees, or emoluments the expenses of travelling in the performance of the duties thereof, or of keeping and maintaining a horse to enable him to perform the same, or otherwise to lay out and expend money wholly, exclusively, and necessarily in the performance of his office or employment, it is lawful for him to deduct from the amount of the salary to be assessed the amount of all such expenses and disbursements necessarily incurred and defrayed. Allowance has been refused in respect of the wages of a domestic servant employed in the home of a national schoolmistress. Expenses incurred by directors of a public company and by a clerk to justices, in travelling from their residences to their places of business, are not admitted as deductions. Payments made by a clergyman to a substitute have also been disallowed.

The duties are assessed in the place where the offices are executed, and persons assessed for offices are deemed to have exercised them at the head office of the department under which they are held, although the duties are performed or the profits are payable elsewhere, within or out of the United Kingdom.

Statements of profits from offices chargeable by the Commissioners for a department are not required under a general notice. The assessors are furnished with accounts of salaries and may require returns.

Duties on salaries, etc., payable at any public office or elsewhere are required to be stopped from payments made on account of such salaries, etc. Duties which cannot be stopped may be certified, in case of non-payment, to the Commissioners for the district where the defaulter resides, who are required to issue their warrant for levying the arrears.

In assessing duty under any schedule on a clergyman or minister of any religious denomination, a deduction may be made of any expenses incurred by him wholly, exclusively, and necessarily in the performance of his duty or function. Where a clergyman or minister occupies a dwelling-house and uses any part thereof mainly and substantially for the purposes of his duty or function as such clergyman or minister, such part of the

rent of the dwelling-house, not exceeding one-eighth, as the Commissioners allow may be treated as an expense for which allowance may be made. If the deduction is not made, repayment may be claimed.

All bodies politic, corporate, or collegiate, companies, fraternities, fellowships, or societies of persons corporate or not corporate are chargeable with like duties as any person. The officers acting as treasurer, auditor, or receiver are required to do all acts requisite for the assessing and paying of the duties chargeable on the body and on the employees. In the case of any company, the duties imposed on the officers must be performed by the secretary or other officer (by whatsoever name called) performing the duties of secretary.

The General Commissioners may grant a certificate entitling a person paying any interest, annuity, or other annual payment, payable out of profits or gains charged to duty, to deduct duty therefrom. The deduction may be made without a certificate where the profits or gains concerned arise from lands, tenements, hereditaments, or heritages, any office of employment of profit or any annuity, pension, stipend, or share in public annuities.

Where any person has been charged more than once for the same source, on the same account, and for the same year, the assessment or assessments wrongly made may be discharged by the Commissioners or by the Board of Inland Revenue. Duty over-paid may be repaid.

In Ireland, assessments are made by the inspectors of taxes or other officers of Inland Revenue appointed by the Board, and they are allowed and signed by the Special Commissioners. Assessments under Schedule A are made on the landlords, immediate lessors, or persons rated to the poor. All appeals are heard by the Special Commissioners, but any person aggrieved by their determination may give written notice to the surveyor of taxes, within ten days, requiring that the appeal shall be re-heard by the assistant barrister, or, in the county of Dublin, by the chairman of the sessions of the peace, or, in the city of Dublin or the borough of Cork, by the recorder. The decision arrived at, at the re-hearing, is final, save for the statement of cases for the High Court. (See under APPEALS.) On any appeal an assessment under Schedule A may be reduced to the annual rent at which the property is worth to be let, even if this is less than the value in the poor relief valuation. If this reduced annual value is less than the actual rent, the tenant or occupier is assessable on the difference. Landlords may claim the return of duty paid by them in respect of so much of their rent as is lost by the bankruptcy, insolvency, or absconding of the tenant; by the fraudulent assigning or removing of his goods, or by reason of the property being waste or unoccupied. Application must be made to the Special Commissioners within six calendar months after the expiration of the year of assessment.

A married woman acting as sole trader, or having separate property or profits, is chargeable as if actually sole and unmarried, except that the profits of a married woman living with her husband are deemed to be his profits and are chargeable in his name. A married woman living in the United Kingdom separate from her husband (whether her husband is temporarily absent from the United Kingdom or otherwise) is chargeable as a *feme sole* on any allowance or remittance from property out of the United Kingdom, if entitled thereto in her

own right, and as the agent of her husband, if it is received from or through him or from his property or credit.

Railways are assessed under Schedule A, No. III, on the actual profits of the preceding year; but according to the rules of Schedule D, assessments are made by the Special Commissioners, who also assess the duties payable in respect of persons holding an office or employment of profit under the companies. The latter assessments are made on the companies, and the secretaries are authorised to retain the duty out of the salaries concerned.

In addition to those which refer to officers acting in relation to Inland Revenue, the following penalties are imposed for offences against the Income Tax Acts—

On any person who gives or offers any sum of money or promise of money to any person employed in relation to Inland Revenue, or proposes or enters into any agreement with such person to do, abstain from doing, conceal or connive at any act whereby the Crown may be defrauded, a penalty of £50 is imposed for each offence. It is provided that the offender who, before information is lodged against him, first informs against any other offender shall be acquitted of such fine.

On any person who ought to deliver a true and proper return and does not do so, a penalty not exceeding £20 and treble the duty ordinarily chargeable may be imposed by the General Commissioners, or a fine of £50 by a court of law. These penalties apply to cases of failure to make the required return of employees. In case of failure to make a return of profits on the part of a person who proves that he is not chargeable, the penalty imposed may not exceed £5 for one offence.

On any person who makes a false return under Schedule A as to the value of any premises, or refuses or neglects to produce any lease or agreement, with intent to conceal such value, treble duty may be charged and a penalty of £20 imposed.

On any person entrusted with the payment of foreign annuities, dividends, etc., and not delivering an account thereof, a penalty of £100 may be levied.

On any person making a false claim to exemption, abatement, etc., or a double claim, a fine of £20 is imposed and treble duty on his whole income has to be paid. Any person making a false claim to exemption of stock is liable to a penalty of £100 and to pay treble duty on the stock in question. The penalty for a false claim to an abatement for loss by floods is £50 and treble duty on the lands. Any person who makes a fraudulent claim under the Finance (1909-10) Act, 1910 (referring principally to super-tax and allowances in respect of children), is liable, on summary conviction, to be imprisoned for a term not exceeding six months with hard labour.

On any person making a fraudulent appeal at the end of the year in respect of a loss incurred by him, the penalty imposed is £50. Any person failing, when summoned, to appear as a witness on any appeal is liable to a penalty of £20. A penalty not exceeding £20 and treble duty is imposed on any person who neglects to deliver the schedule required by the Commissioners on an appeal.

Other penalties imposed are for obstructing an officer, £100, for defacing any church door notice, £50, for abetting a false claim, £50; for refusing to allow the deduction of tax from rent, interest, or other annual payment, £50, or, in some cases, treble the principal sum.

Proceedings for the recovery of any fine or penalty may be commenced within three years after it is incurred. All penalties not exceeding £20, and such penalties exceeding £20 as are directed to be added to assessments, are recoverable before the General Commissioners where the offence was committed.

No claim to repayment is allowed unless it is made within three years after the end of the year of assessment to which it relates. In certain cases a shorter period is limited. (See under APPEALS.)

Special exemptions are allowed as follows—
The British Museum is specifically granted the exemptions allowed to charitable institutions in respect of property and dividends.

The duty on any house belonging to the Crown, which is in the occupation of any officer by right of office or otherwise (except apartments in royal palaces) is chargeable on and payable by the occupier. Crown properties and stock are exempt by privilege. It has been held that this exemption extends to assize courts, police stations, etc., but not to municipal offices.

Foreign ministers resident in the United Kingdom are exempted in respect of stock and dividends. The duty in respect of houses occupied by such ministers is chargeable on and payable by the landlords.

Savings banks are exempted, under Schedules C and D, so far as their funds are applied as interest to any depositor not exceeding £5 in the year for which exemption is claimed. Such interest, when received by persons liable to tax, is assessable under Schedule D, Case III.

Officers in Relation to Income Tax and House Duty. The duties are under the management of the Commissioners (or Board) of Inland Revenue, who are appointed by the Crown, and are authorised to do all things necessary for putting the Income Tax Acts into execution, subject to the control of the Treasury. Under the Board's authority there are appointed inspectors of taxes.

The assessments are made by local commissioners of taxes, described as General Commissioners and Additional Commissioners respectively. They are usually appointed by the Land Tax Commissioners from among their own number, and are subject to a property qualification. The General Commissioners appoint their clerk, whose salary and expenses are paid by the Board. There are also commissioners for the duties on public offices, who are appointed by the head of their department or by the Treasury to assess the duties on salaries, etc., paid in the department. The Special Commissioners are appointed by the Treasury.

The General Commissioners appoint such inhabitants as they think fit to be assessors. The office may not be refused. They also appoint collectors, except where, by their default in appointing or taking security, the appointment has reverted to the Board. A collector may be required to give security for the amount of the duties, either by the General Commissioners, by the Board, or by two inhabitants of the parish. In England and Wales any parish is liable to the re-assessment of any duties lost by the default of the collector, except

when such collector has given security to the Crown or has been appointed by the Board.

Commissioners, collectors, and officers acting in relation to Inland Revenue may not be compelled to serve as mayor or sheriff, or in any other parochial office, or on any jury, or in the Militia.

Collection of Income Tax. Income tax is payable in two equal instalments, one on the 1st January, and the other on the 1st July. Duty charged by any additional assessment is payable on the day after that on which it has been signed or allowed.

For Scotland or Ireland, the Treasury may make regulations for payment by postage stamps, and for Scotland or for any parish in England for which the collector is appointed by the Board, and the Treasury direct, payment may be made by Post Office order.

The collectors are required to demand the duties, when due, and the demand note should contain, in the case of duty charged under Schedules A and B, particulars of the properties assessed, and of the assessments. Where the particulars are not so given, they must appear on the receipt. Receipts are exempt from stamp duty.

Any duty unpaid is recoverable as a debt to the Crown. Non-payment of duty charged in respect of any house or building does not disqualify a person from voting in Parliamentary elections.

If payment is refused, the collector is required to distrain upon the property charged, or to distrain the person charged by his goods and chattels, on the authority of the warrant delivered to him on his appointment. Where lands charged under Schedule A are unoccupied, and no distress can be found thereon at the times the duties are payable, the collector may, at any time after when distress is found thereon, enter upon the said lands, and seize and sell. Duty under Schedules A and B may be levied on the occupier for the time being, notwithstanding any change of occupation during the year of assessment, but any tenant may be held liable for the period which has elapsed when he leaves. No distraint is allowed in respect of arrears which ought to have been levied on and ultimately paid by any former occupier.

A collector may break open any premises in the day time, under a warrant obtained for the purpose from the Commissioners.

A levy or a warrant to break open must be executed by, or under the direction of, and in the presence of the collector. The goods distrained upon must be kept five days. If the duty is not then paid, the goods may be sold by auction; any surplus received after paying the costs and charges is returnable to the owner. The Crown has, after the landlord's suit for rent, prior claim on the defaulter's goods for the amount of one year's arrears. A person refusing to pay within ten clear days after demand may be committed to prison by the General Commissioners, if sufficient distress to levy is not found.

When a person removes from a parish leaving duties unpaid, or resides in another parish, the General Commissioners for the parish where he has removed or is may raise and levy the duties on him, or commit him to prison.

Appeals. Notice of the assessments is given at least fourteen days before the day of appeal, and a public notice is posted on the church door stating the day which has been fixed. In the case of assessments under Schedules A and B, notice thereof may be given by the delivery of the book of assessments

to the assessor, for inspection by the persons charged.

Any person (including any owner or person in receipt of rent) who is aggrieved is entitled, on giving ten days' notice of objection, to appeal within twenty-one days of the notice of assessment.

At the appeal the inspector and the assessor are entitled to be present during the whole time the Commissioners are determining the matter. If the Commissioners refuse to hear a barrister, solicitor, or accountant, the appellant may appeal to the Special Commissioners, who are bound to hear such barrister, etc.

The Commissioners may order, or the appellant may require, the valuation of any property concerned by a valuer named by the Commissioners.

The Commissioners may require a schedule containing stated particulars of the property or profits, and may examine the appellant and summon witnesses. In certain cases where the appellant has failed to give the schedule required, or has given false information, they may add to the assessment treble duty on the whole or a part thereof.

Any assessment may be increased at the appeal.

In Ireland, the appeals are heard by the Special Commissioners, subject to further appeal to the assistant barrister.

In Great Britain any appellant assessed under the rules of Schedule D may require the appeal to be heard by the Special Commissioners, subject to further appeal on a case stated to the Commissioners of Inland Revenue.

The decision arrived at on any appeal is final, except that, if the appellant or the inspector immediately expresses his dissatisfaction therewith on a point of law, he may, within twenty-one days, pay 20s. to the clerk, and require the Commissioners to state a case for the opinion of the High Court. The assessment is dealt with according to the decision of the High Court, subject to further appeal to the Court of Appeal, and from there to the House of Lords.

Appeals are allowed at the end of the year as follows—

(1) If, during the year of assessment, a person ceases to exercise his trade, profession, employment, or vocation, or dies, or becomes bankrupt, he, or his executors, may, within three months of the end of the year, apply to the Commissioners, who shall amend the assessment as they think just, and order repayment of the sum over-paid, if any. A person succeeding to any business concern, and claiming adjustment, must prove that the profits have fallen short from some specific cause.

(2) On the cessation of any business, the person assessed may apply to be charged on the actual profits of the year, and may claim repayment of any tax paid in the three previous years in excess of that payable if the assessments had been made on the actual profits of each year.

(3) When a business concern has been set up within the current year or the three years preceding, a claim may be made for the assessment to be based on the actual profits of the year, and for the repayment of any sum over-paid.

(4) In the event of loss, the person assessed may, on application within six months of the year of assessment, be repaid so much of the tax paid on his aggregate income for the year as is equal to the tax on the amount of the loss. When this is done, the loss may not be brought into the average in making assessments for subsequent years.

The following points of interest connected with the income tax are here set out in alphabetical order—

Allowances from Income Tax Assessments.

Claims for allowances must be made on the forms provided, the claimant declaring and setting forth thereon all the particular sources from which the income arises and the amount from each source, and also every sum of annual interest or other annual payment reserved or charged thereon whereby the income may be diminished, and also every sum which the claimant may be entitled to charge against any other person on account of income tax. The income of an individual member of a partnership is deemed to be the share to which he is entitled during the year to which the claim relates in the partnership profits as estimated according to the rules of the Income Tax Acts. All claims to repayment must be made within three years after the end of the year of the assessment to which they relate.

Claims to allowances which depend wholly or partially on the total income of an individual from all sources, may not be made by any person who is not resident in the United Kingdom. It is provided, however, that any person who is or has been employed in the service of the Crown, or who is employed in the service of any missionary society abroad, or who is employed in the service of any of the native States under the protectorate of the British Crown, or who is resident in the Isle of Man or Channel Islands, or who satisfies the Board that he is resident abroad for the sake of health, or is a widow in receipt of a pension chargeable with income tax and granted to her in consideration of her late husband's service under the Crown, shall be entitled to any relief, exemption, etc., to which he or she would be entitled if resident in the United Kingdom, and if the total income from all sources were calculated as also including any income in respect of which the tax may not be chargeable.

A penalty of £20 and treble duty on the whole income is imposed in cases of false claims.

The total income from all sources having been ascertained, the assessable income can be calculated. First the *earned* income is reduced by £1, this being the allowance granted by the Finance Act, 1920. It is provided, however, that the amount of this allowance must not, in any case, exceed £200. No such allowance can be claimed in respect of unearned income, which is now called investment income. The assessable income is then reduced by the allowances applicable to the particular case in order to arrive at the taxable income. The taxable income is then chargeable, as to the first £225 at half the standard rate (at present 3s.), and the remainder at the full rate of 6s. in the £.

The allowances now granted are as follows—

PERSONAL ALLOWANCE. A bachelor, spinster, widow or widower is entitled to a personal allowance of £135. A married man living with his wife is granted a deduction of £225. If the total income includes earned income of the wife, the above allowance may be increased by an amount equal to $\frac{1}{10}$ ths of the first £50 of the wife's earned income.

Children. For each child under the age of 16 years at the commencement of the year of assessment, and for each child above this age who is receiving full time instruction at an educational establishment, a deduction from income can be claimed as follows—£36 for the first child, and £27

for each of the others. The word "child" includes a step child, and an illegitimate child if the parents have married since its birth, and the child is maintained by the taxpayer. The deduction is not allowed if a child has in his own right an income exceeding £40 a year.

Relatives. A widower having residing with him a family relative of his or of his deceased wife, for the purpose of having the charge of any child described above, is allowed a deduction of £45. The allowance applies when a widow has residing with her for the above purpose a family relative of her or of her deceased husband, and also in cases where an unmarried person has living with him his mother or some other family relative for the purpose of having charge of any brother or sister in respect of whom the children's allowance may be granted, provided such person maintains his mother or relative at his own expense. If an individual maintains at his own expense (a) any relative of his or of his wife, who owing to old age or infirmity is unable to maintain himself or herself, (b) his or his wife's widowed mother, he is entitled to a deduction of £25 provided the income of such relative does not exceed £25 per annum.

The relevant deductions having been made, the taxable income is arrived at. Of this, the first £225 is chargeable at 3s. in the £, and the remainder at 6s. in the £.

Example.—The total income of a married man with three children all under 16 years of age at the beginning of the year of assessment is £900, all earned; he also maintains a relative who is incapacitated by old age.

Total Income	£900
Less 1 st £45	90
Assessable Income	£810
Allowances—	
Marriage	£225
Children	90
Dependent relative	25
Taxable Income	470
Chargeable £225 at 3s	
£245 at 6s	

INSURANCE. The allowance for life assurance is governed by rules, those at present in force being as follows: (a) the premiums must be only sums payable under a life policy or under a contract for deferred annuity; (b) the insurance must be on the life of the taxpayer or on that of his wife; (c) the contract must be made with a company carrying on business in the United Kingdom; (d) the premiums must not exceed $\frac{1}{4}$ th of the total income; (e) no allowance may be made in excess of 7 per cent of the sum assured at death, ignoring bonuses; (f) where no sum is secured at death, the allowance in respect of premiums may not exceed £100 per annum. In the case of policies taken out *after* 22nd June, 1916, the following additional rules apply: no allowance is made unless a capital sum at death is secured, in the case of a policy of deferred assurance no allowance is made in respect of premiums payable during the period of deferment. The rate of tax at which relief is granted varies according to the following rules—

(1) On life assurance or deferred annuity contracts made *after* 22nd June, 1916, no matter how large the income is, and in the case of all other

assurances where the aggregate income does not exceed £1,000, 3s. in the £.

Where the aggregate income exceeds £1,000 and not £2,000, in respect of assurances or deferred annuity for contracts made *before* 22nd June, 1916, 4s. 6d. in the £.

Where the aggregate income exceeds £2,000 and the contracts were made *before* 22nd June, 1916, 6s. in the £.

The assurance allowance is deducted from the amount of the tax payable on the taxable income.

Assessment to Income Tax. Income tax is imposed annually, and assessments are made for each year commencing on April 5th. Under Schedules A and B the amounts of the assessments remain in force for three years, unless a person is under-rated or omitted, or becomes chargeable in the second and third years. In any other year, also, when a new valuation is not made, that of the preceding year is adopted by the Finance Acts. In the metropolis the full and just yearly rent is deemed to be the gross value stated in the valuation lists of the local assessment committee.

Notices requiring returns are fixed by the assessors on church doors and market houses, and individual notices are also served. Returns must be made to the assessors, who deliver them to the General Commissioners, unless a special assessment is asked for. (See SPECIAL ASSESSMENTS.)

Under Schedules A, B, and E the assessors make assessments to the best of their judgment. They are delivered to the inspector, with the returns, for his examination. The inspector may rectify them, if necessary, after which they are considered by the General Commissioners, who make such assessments as they think fit.

Under Schedule D the assessor delivers to the inspector a list of persons whom he has served with forms, and estimates the liability when no returns are made. The clerk to the Commissioners makes an abstract of the returns in books. The inspector examines the returns and the assessor's estimates, after which the Additional Commissioners make such assessments as appear just, and deliver them to the General Commissioners. Notices of these assessments may not be given to the persons assessed until fourteen days after this delivery has been made and notice thereof has been given to the inspector. For subsequent procedure, see under APPEALS.

If any person comes to reside in any parish in which he has not been charged for the same year, he may be given notice to declare, within fourteen days, where he has been charged, or to deliver a statement for the purpose of being assessed.

If, after the first assessments have been signed and allowed, the inspector discovers any omission or under-charge, or that a person charged has not made a full and proper return, or that any allowance has been improperly granted, he may, under Schedules A, B, and E (and within three years of the expiration of the year of assessment), certify the matter to the General Commissioners, who are required to sign an additional first assessment, subject to appeal. In cases under Schedule D, the Additional Commissioners are required, within the same period, to make an additional first assessment, subject to the objection of the inspector and to appeal.

In any cases of under-assessment, the inspector may make a surcharge on the person liable, which must be signed by the General Commissioners,

subject to appeal. Where the Commissioners consider that satisfactory information is not given by the appellant, they may charge him in treble duty.

No assessment or charge may be impeached by reason of a mistake therein, provided that the notice of charge is duly served on the person intended, and contains, in substance, the particulars on which the charge is made.

Charities. Exemption is allowed from income tax under Schedule A, in respect of the following properties: Public buildings and offices belonging to any college or hall in any university (not occupied by any member or by any person paying rent); public buildings, offices, and premises belonging to any hospital, public school, or almshouse (not occupied by any officer whose income amounts to £150 a year, or by any person paying rent); any building, being the property of any literary or scientific institution, which is used solely for the purposes of such institution, and in which no payment is demanded or made for any instruction afforded there by lectures or otherwise (provided that the building is not occupied by any officer or by any person paying rent).

The exemption stated above is granted by the General Commissioners.

Exemption may also be allowed in respect of the rents and profits of lands, tenements, hereditaments, or heritages belonging to any hospital, public school, or almshouse, or vested in trustees for charitable purposes, so far as the same are applied to charitable purposes. Such exemption is granted on proof before the Special Commissioners of the due application to charitable purposes only.

The stock (assessed under Schedule C) of any corporation, fraternity, society, or trust established for charitable purposes only, in so far as it is applied to charitable purposes only, and any yearly interest or other annual payment (assessed under Schedule D) may be exempted from income tax on due proof before the Special Commissioners.

Any hospital, charity school, or house provided for the reception or relief of poor persons may be exempted from inhabited house duty.

It has been decided that the word "charity" must be regarded in its legal sense, and that it includes trusts for the relief of poverty, for the advancement of education or religion, and for other purposes beneficial to the community.

Depreciation. In assessing the profits of a business, no deduction may be made in respect of depreciation of capital, except as follows—

The Commissioners are required, in assessing profits under Schedule D or by the rules of Schedule D, to allow such deduction as they think just and reasonable as representing the diminished value by reason of wear and tear during the year of any machinery or plant, used for the purpose of the concern, and belonging to the person by whom the concern is carried on. Claims to such deductions should be included in the annual return of profits.

Where the machinery is let to the person by whom the concern is carried on, on terms that he shall maintain it and deliver it in good condition at the end of the lease, he is deemed to be the owner. Where the lessor has the burden of maintaining and restoring any machinery or plant, he may, within twelve months after the expiration of the year of assessment, claim repayment of such tax deducted from the rent as represents the tax on the diminished value during the year.

No deduction or repayment may be allowed in any year if the deduction, when added to the deductions allowed in previous years to the person by whom the concern is carried on, will make the aggregate exceed the total cost to that person of the machinery or plant, including any capital expenditure on the machinery or plant by way of renewal, improvement, or reinstatement.

Where full effect cannot be given to the deduction in any year, owing to there being no profits or gains chargeable in that year, or owing to the profits or gains so chargeable being less than the deduction, the deduction or part to which effect has not been given may be added to the amount of the deduction for the following year, and so on for succeeding years.

It has been decided that no allowance may be made where the sums allowed for repairs and renewals are considered by the Commissioners to cover the loss by reason of wear and tear, or in the case of new plant not yet needing repair. It is now enacted that application may be made to the Board of Referees to adjudicate in cases where any considerable number of persons engaged in any class of trade are dissatisfied with the allowance for wear and tear.

"Earned Income" means (a) any income arising in respect of any remuneration from any office or employment of profit, or in respect of any pension, superannuation or other allowance, deferred pay or compensation for loss of office given in respect of the past services of the individual, or of the husband or parent of the individual, in any office or employment of profit, whether the individual or husband or parent shall have contributed thereto or not; (b) any income from any property which is attached to or forms part of the emoluments of any office or employment of profit held by the individual; and (c) any income charged under Schedules B or D, or under the rules of Schedule D, which is immediately derived by the individual from the carrying on or exercise by him of his profession, trade, or vocation either as an individual or, in the case of a partnership, as a partner personally acting therein.

Where an individual carrying on any trade, etc., in partnership with any other person, makes a claim to relief, the income of that individual from the partnership for the year to which the claim relates is deemed to be the share to which he is entitled during that year of the partnership profits, such profits being estimated according to the Income Tax Acts. Income other than "earned" is designated "investment" income.

Friendly Societies. The following exemptions are allowed to any legally established friendly society which is restricted by Act of Parliament or by its rules from assuring to any person any sum exceeding £300 gross or £52 a year by way of annuity: Under Schedule A in respect of buildings owned by the society (not occupied by any individual whose income amounts to £150 per annum, or by any person paying rent for the same), and in respect of rents and profits of lands belonging to the society; under Schedule C in respect of stock, dividends, or interest; under Schedule D in respect of interest and profits.

Industrial and Provident Societies. A registered society is exempt from income tax under Schedules C and D, unless it sells to persons not being members, and the number of its shares is limited either by its rules or by practice. The exemption does not extend to its employees.

Interest. Interest is a specific object of charge to income tax, irrespective of any gains or losses made in the business concerned.

In the case of yearly interests, annuities, and other annual payments paid out of profits or gains brought into charge to income tax (whether payable within or out of the United Kingdom, whether as a charge on property or as a personal debt or obligation, and whether received and payable half-yearly or at shorter or more distant periods), duty is charged on the person liable to make the payment, who may deduct tax therefrom at the rate or proportionate amount of several rates chargeable in respect of the source of the interest while it was accruing. The relief to earned incomes is not allowed in respect of such payments.

Where no deduction is made, where the interest is paid from profits not charged to income tax, or where it is not received or payable by the period of one year, duty is to be paid on a sum not less than the full amount arising to the receiver within the preceding year. As regards interest remitted from abroad, see under Schedule D.

In the case of interest secured on rates, an assessment may be made on the officer managing the accounts of the parish, etc., and he is held responsible for doing all acts necessary to an assessment being made.

Upon payment of any interest of money or annuities charged to income tax under Schedule D and not payable or not wholly payable out of profits or gains brought into charge, the person by whom or through whom they are paid is required to deduct thereout the rate of income tax in force at the time of such payment, and to render an account forthwith to the Board of Inland Revenue of the duty so deducted, or of the amount deducted out of so much of the interest as is not paid out of profits or gains brought into charge. Such amount is declared to be a debt from such person to the Crown, and is recoverable as such accordingly.

The General Commissioners may grant a certificate that an assessment has been made to include interest paid out of profits charged under Schedule D, but no certificate may be required for payments made out of profits arising from lands, tenements, hereditaments, or heritages, or out of any annuity, pension, stipend, or dividend in public annuities.

All contracts, covenants, and agreements for the payment of any interest, rent, or other annual payment in full, without allowing the deduction of tax, are by statute made utterly void. Penalties are imposed for refusal to allow any deduction of tax provided for by the Income Tax Acts.

Patent Royalties. In estimating, under any schedule, the amount of the profits and gains arising from any trade, etc., no deduction may be made in respect of any royalty or other sum paid in respect of the user of a patent. The person making the payment is allowed to deduct therefrom a sum equal to income tax thereon at the rate in force while it was accruing. Where the payment is not made out of profits charged to income tax, the deduction may still be made, and the amount deducted is required to be accounted for to the Revenue under the regulations provided for interest similarly not paid out of profits charged. (See under INTEREST.)

Returns. Returns are required by a general notice affixed by the assessors on or near the door of the church or chapel and market-house or cross of each parish. This notice requires returns to be delivered

within a time limited not exceeding twenty-one days, and is deemed sufficient notice to all residents. A personal notice also is required to be served on persons chargeable.

Every person so required must, within the period mentioned, prepare and deliver a list in writing containing, to the best of his belief, the proper name of every lodger or inmate resident in his dwelling-house.

Every employer, when so required by notice from an assessor, must, within the time limited, prepare and deliver to the assessor a return of the names and residences of any persons employed by him (except those who are not employed in any other employment and whose remuneration for the year does not exceed £130), and of the payments made to them in respect of that employment. When the employer is a body of persons, the secretary, or other officer performing the duties of secretary, is deemed to be the employer for this purpose, and any director of a company or person engaged in the management thereof is deemed to be a person employed.

Every person chargeable, when so required by any general or personal notice, must, within the period mentioned therein, prepare and deliver to the person appointed to receive it, a true and correct statement, in writing, in the required form, signed by the person delivering the same, containing the annual value of all lands and tenements in his occupation, and the amount of the profits or gains arising to him from every source chargeable to income tax. Such statement should be exclusive of the profits accruing from interest or other annual payment arising out of the property of any other person who ought to be charged therefor.

Any person required to make a return from his residence must at the same time deliver a declaration stating where he is chargeable, and whether he is engaged in any trade, profession, etc. Persons having more than one residence or carrying on trades in different places, or in any place different from their ordinary residence, must deliver returns, if required, in each parish, but may not be doubly assessed.

Any person who ought to deliver any list or statement as aforesaid, but who refuses or neglects to do so within the time limited, or who wilfully delays the delivery thereof, is liable, on information before the Commissioners, to a penalty not exceeding £20 and treble the duty at which he ought to be charged; or, on information in a court of law, to a penalty of £50.

Special Assessments to Income Tax. A person chargeable under Schedule D may require to be assessed by the Special Commissioners, provided that he gives notice within the time limited for making returns. The notice must be sent, with his return, to the assessor, who will transmit it to the inspector. The inspector is required to examine the return and to assess the duties he considers to be chargeable. The return and assessment are then forwarded to the Special Commissioners, by whom an assessment is made as they think just. The inspector or the person assessed may object to the assessment so made, in which case the Special Commissioners are required to determine the matter subject to the decision of the Board, if a case is required to be stated to them.

The sum due is notified by the Special Commissioners, and must be paid at the time and in the manner prescribed by them. In default of payment,

the Special Commissioners may send a duplicate of the assessment, with their warrant to collect, to the local collector who is required to levy the duties.

Claims to exemption are determined by the General Commissioners and not by the Special Commissioners.

Supertax. Supertax is payable, in addition to income tax, in respect of the income of any individual the total of which from all sources exceeds £2,000.

For the purposes of supertax, the total income taken is that of the previous year, estimated in the same manner as the total income is estimated for the purposes of allowances. (See under ALLOWANCES.) In estimating such income of the previous year, any income charged by way of deduction is deemed to be the income of the year in which it is received, and any sums paid out of the profits (if allowable as deductions) are deemed to be the deductions of the year in which they are payable, irrespective of the periods during which the income or sums accrued. All the provisions of the Income Tax Acts which relate to persons chargeable, assessments, appeals, collection, and recovery of duty and High Court cases apply to supertax as far as they may be applicable.

In estimating the income of the previous year, deductions may be made of sums allowed from assessments on property in respect of repairs and maintenance of, and of expenses necessarily incurred in the discharge of his office by a person in the service of the Crown abroad.

Every person on whom a notice is served must make a return as required, and it is the duty of every person liable to supertax to give notice of that fact to the Special Commissioners before September 30th in the year for which supertax is chargeable. If the Special Commissioners consider that they are unable to obtain from the husband a satisfactory return of the income of a married woman, they may require a return from such married woman, and may assess on and recover from her the proportion of the duty chargeable in respect of her income.

The penalty for failure to make a return is £50; and, after judgment has been given for that penalty, a further penalty is imposed of £50 for every day during which the failure continues.

Trades Unions. Exemption from income tax under Schedules A, C, and D, in respect of interest and dividends applicable and applied solely for the purpose of provident benefits, is allowed to any trade union which is registered under the Trade Union Acts, 1871, and by whose rules the amount assured to any person shall not exceed £300, or an annuity be paid which shall exceed £52 per annum.

INCOME TAX ACCOUNTS. Early in each year of assessment the local assessor sends to every person, firm or company, which he considers likely to be liable for tax a buff-coloured form, No. I in the case of an individual, No. II for a company, entitled the "Return for Assessment under Schedule D," on which is to be declared the income of the person or firm liable to taxation under this schedule. The form is accompanied by a sheet of instructions for the assistance of the person called upon to supply the return. The form also provides for—

(A) A declaration by any person who has already made a return of his Schedule D income to another assessor or surveyor.

(B) A claim for allowance in respect of life assurance premiums or payments under contracts for deferred annuities.

(C) A claim for other allowances to which the taxpayer may be entitled.

(D) A declaration by the precedent acting partner of a firm as to (1) the full description or style of the firm; (2) the place or places of carrying on the concern; (3) particulars of all annuities, interest on loans, patent royalties and other annual charges (excluding life assurance premiums) payable out of the profits or gains; and (4) particulars of the share of each partner in the total profits of the firm after deducting the payments included under the previous head of this declaration.

(E) A declaration as to the place of assessment where the person is engaged in the same trade or profession in two or more places, or where the person carries on his trade or profession in a different parish from that in which he resides.

Where the income is derived from the exercise of any business, profession, or employment, the amount taxable is neither the actual income of that year nor the income which is expected to be made in that year, but is a "statutory" income, which is the average profits of the three preceding years, ending on the date (prior to the commencement of the year of assessment) to which the annual accounts have been usually made up, or on the last day of the preceding financial year, but if the business or profession has been set up within three years, the average is taken from the period of commencement. In the case of an individual who is in receipt of a salary, there is, of course, little difficulty in arriving at the proper assessment; but where a business is being carried on it is necessary to adjust the accounts so that they will show the profits which are deemed to have been made according to the rules laid down for income tax purposes.

The sheet of instructions which accompanies the return for assessment under Schedule D points out that before arriving at profits, deductions are allowed for—

1. Repairs of premises occupied for the purpose of trade, etc.
2. Supply or repair of implements, utensils, or articles employed, not exceeding the sum usually expended for such purposes, according to the average of the three years preceding.
3. Debts proved to be bad; also doubtful debts, according to their estimated value.
4. Rent (or annual value, under Schedule A, if occupied by the owner) of premises used solely for the purposes of business, and not as a place of residence.
5. A proportion not exceeding two-thirds of the rent (or annual value, under Schedule A, if occupied by the owner) of any dwelling-house partly used for the purposes of business.
6. Any other disbursements or expenses wholly and exclusively laid out for the purposes of the trade, etc., and that no deductions are allowed in respect of—

- (1) Interest on capital.
- (2) Annual interest, annuity, patent royalty, or other annual payment (the tax on such interest, royalty, or annual payment should be deducted from the person to whom the payment is made).
- (3) Partners' salaries or withdrawals.
- (4) Sums invested or employed as capital in the trade or business, or on account of capital withdrawn therefrom.
- (5) Improvements of premises.
- (6) Depreciation of land, buildings, or leases.

(7) Loss not connected with, or arising out of, the trade or business.

(8) Expenses of maintenance of the persons assessable, their families, or private establishments.

(9) Loss recoverable under an insurance or contract of indemnity.

(10) Income tax paid on profits or on annual value of trade premises.

(11) Premium for life assurance.

(12) Depreciation of machinery or plant (but an allowance may be claimed for wear and tear, as explained later).

Profits from discounts and untaxed interests and dividends receivable are to be returned at the actual amount of the preceding year.

The profits from Colonial and foreign securities are returnable at the actual amount receivable in the United Kingdom in the current year, whereas those from Colonial and foreign possessions are to be taken at the average amount received in the United Kingdom for the preceding three years.

To indicate the manner in which accounts are submitted we append several specimens. The first refers to the assessment of a sole trader, the second to a partnership, and the third to a limited company.

Adjustment for Tax Purposes

	1917.	1918.	1919.
Balances brought down from Profit and Loss account	£ 463	£ 324	£ 213
Add charges not allowed:			
Interest on loans from			
sundry persons (c)	10	—	—
Interest on mortgage (c)	10	10	10
Chief rent (c)	5	5	5
Charitable donations (d)	10	15	10
Interest upon capital (h)	150	150	150
Income tax (g)	17	10	7
Depreciation (f)	100	90	80
Profits for Income Tax purposes	£765	£604	£475

NOTE.—The amount for assessment 1920-1921 is, therefore, £765 + 604 + 475 = 3 £614, from which the taxpayer would claim the allowances to which he is entitled.

EXAMPLE NO. 2. A PARTNERSHIP.

Let us assume that the firm of Messrs. X, Y, and Z are required to make their returns for assessment for the year ending April 5th, 1921, by means of forms delivered to them in April, 1920. There will

EXAMPLE NO. 1. SOLE TRADER

Profit and Loss Accounts for the Years Ending 31st December, 1917, 1918, and 1919

	1917.	1918.	1919.		1917.	1918.	1919.
	£	£	£		£	£	£
To Wages of employees	200	210	200	By Balance from Trading account	1,600	1,630	1,490
„ Salaries of employees	—	150	150	„ Interest on bills and overdue a/cs.	15	10	15
„ Net Annual value of premises (a)	50	50	50				
„ Carriage on Sales	50	60	50				
„ General Expenses	145	170	175				
„ Bank interest on overdraft (b)	40	50	35				
„ Interest on loans from sundry persons (c)	10	—	—				
„ Repairs (a)	15	12	14				
„ Interest on mortgage (c)	10	10	10				
„ Chief rent (c)	5	5	5				
„ Charitable donations (d)	10	15	10				
„ Depreciation (f)	100	90	80				
„ Bad debts (i)	15	—	20				
„ Doubtful debts (i)	10	15	15				
„ Income tax (g)	17	10	7				
„ Insurance of stock, plate glass, premises, burglary, employers' liability and fidelity	20	25	25				
„ Coal	15	12	14				
„ Lighting	30	32	35				
„ Local rates	15	15	15				
„ Water	5	5	5				
„ Board of employees	210	215	215				
„ Interest on capital (h)	150	150	150				
„ Loss of stock by fire, less amount received from insurance company	20	—	—				
„ Interest on bills and overdue accounts (b)	10	15	12				
„ Balance being profit	403	324	213				
Total	£1,615	£1,640	£1,505	Total	£1,615	£1,640	£1,505

NOTES.—(a) The trader has charged the net annual value of his premises (i.e., the net Schedule A assessment, on which amount duty has been paid). He is therefore entitled to charge the cost of repairs.

(b) He could not have deducted tax from interest on Bank Overdraft, which may fairly be regarded as a trade expense. This remark applies to Interest on Bills also.

(c) He should deduct tax from these items, which may not therefore be deducted in arriving at the amount of his profit for income tax purposes.

(d) This is not admissible for income tax purposes.

(e) This is not an admissible deduction for income tax purposes. A claim may be made, however, for an allowance in respect of the depreciation of plant and machinery during the year of assessment.

(f) These are presumed to cover specific debts and the deduction may be admitted. Additions to Bad Debts Reserve may not be admitted.

(g) This is regarded as a personal expense of the proprietor, and may not be charged as an expense for income tax purposes.

(h) This is part of the profit and the assessment must be made to include it.

TAX]

AND DICTIONARY OF COMMERCE

[TAX

X, Y, AND Z.

Dr. **Trading and Profit and Loss Accounts for the three years ended 31st Dec., 1919.** Cr.

	1917.	1918	1919.		1917.	1918	1919.
To Stock	3,501 0 0	4,902 0 0	4,515 0 0	By Sales	27,302 0 0	27,895 0 0	31,912 0 0
" Purchases	12,906 0 0	11,725 0 0	14,127 0 0	" Stock	4,902 0 0	4,515 0 0	4,880 0 0
" Wages	7,317 0 0	7,510 0 0	8,312 0 0				
" Balances .. c/d.	8,540 0 0	8,273 0 0	9,838 0 0				
	<u>32,264 0 0</u>	<u>32,410 0 0</u>	<u>36,792 0 0</u>		<u>32,264 0 0</u>	<u>32,410 0 0</u>	<u>36,792 0 0</u>
To Partners' Salaries ..	900 0 0	900 0 0	900 0 0				
" Staff Salaries and Commissions ..	1,555 0 0	1,589 0 0	1,722 0 0	By Balances b/d ..	8,540 0 0	8,273 0 0	9,838 0 0
" Rates & Insurance ..	320 0 0	333 0 0	341 0 0	" Interests and Dividends ..	80 0 0	0 0 0	100 0 0
" General Expenses ..	246 0 0	285 0 0	315 0 0				
" Chief Rent	80 0 0	80 0 0	80 0 0				
" Interest on Loan ..	50 0 0	50 0 0	50 0 0				
" Bank Interest	8 0 0	5 0 0	6 0 0				
" Interest on Capital ..	1,000 0 0	1,000 0 0	1,000 0 0				
" Depreciation of Leaseholds ..	200 0 0	200 0 0	200 0 0				
" Depreciation of Machinery at 7½ per cent. ..	375 0 0	350 0 0	325 0 0				
" Depreciation of Furniture at 5 per cent. ..	25 0 0	24 0 0	23 0 0				
" Repairs	213 0 0	185 0 0	226 0 0				
" Bad Debts	100 0 0	155 0 0	118 0 0				
" Patent Royalties ..	100 0 0	100 0 0	100 0 0				
" Annuity	300 0 0	300 0 0	300 0 0				
" Profits	3,008 0 0	2,807 0 0	4,202 0 0				
	<u>8,620 0 0</u>	<u>8,363 0 0</u>	<u>9,938 0 0</u>		<u>8,620 0 0</u>	<u>8,363 0 0</u>	<u>9,938 0 0</u>

X, Y, AND Z.

Adjustment of Profits for Income Tax purposes for 1920-21.

	1917.	1918	1919.		1917.	1918.	1919.
Taxed Income—				Profits as per Profit and Loss Accounts	3,008 0 0	2,807 0 0	4,202 0 0
Interests & Dividend ..	80 0 0	90 0 0	100 0 0	Items not allowed—			
Schedule A Assessment ..	750 0 0	750 0 0	750 0 0	Partners' Salaries ..	900 0 0	900 0 0	900 0 0
				Chief Rent	80 0 0	80 0 0	80 0 0
Profits for Income Tax purposes ..	5,208 0 0	4,971 0 0	6,330 0 0	Interest on Loan ..	50 0 0	50 0 0	50 0 0
				Interest on Capital ..	1,000 0 0	1,000 0 0	1,000 0 0
				Depreciation of Leaseholds ..	200 0 0	200 0 0	200 0 0
				Depreciation of Machinery ..	375 0 0	350 0 0	325 0 0
				Depreciation of Furniture ..	25 0 0	24 0 0	23 0 0
				Patent Royalties ..	100 0 0	100 0 0	100 0 0
				Annuity	300 0 0	300 0 0	300 0 0
	<u>6,038 0 0</u>	<u>5,811 0 0</u>	<u>7,180 0 0</u>		<u>6,038 0 0</u>	<u>5,811 0 0</u>	<u>7,180 0 0</u>

be four forms served, addressed to (1) the firm; (2) Mr. X; (3) Mr. Y; and (4) Mr. Z.

The firm's accounts are made up annually to December 31st, and at the top of this page is a copy of the Trading and Profit and Loss Accounts for the three years ended December 31st, 1919, from the firm's private ledger.

To enable the correct return to be made on behalf of the firm, we ascertain that the assessment of the firm's leasehold premises under Schedule A is £900 gross and £750 net; also that X is a sleeping partner with a capital of £15,000, on which he receives interest at the rate of 5 per cent. per annum; that Y and Z both take an active part in the business, with salaries of £600 and £300 per

annum respectively; that Y's capital is £5,000 (interest at 5 per cent. per annum); that Z has no capital in the business; and that profits are divided as follows: X, three-fourths; Y, one-fifth; and Z, one-twentieth.

The first step is to adjust the balances of the actual profit and loss accounts, in order to arrive at "income tax profits" for the three years. This is done by writing back the items debited in the accounts which are not allowed as deductions for income tax purposes, on the other hand, any income received which has already been taxed, such as dividends on investments, may be eliminated; and the annual value of the premises on which tax has been paid under Schedule A may be charged

in lieu of the rent which would have been paid if the firm had not been the owners of the lease of the property.

The Adjustment Account is as shown on page 1611

We then take the average for the three years—

		£	s.	d.
Profits for 1917	.. ..	5,208	0	0
" 1918	.. ..	4,971	0	0
" 1919	.. ..	6,330	0	0
		3) 16,509	0	0
which gives the sum of	.. ..	5,503	0	0

but from this we may deduct the allowance for wear and tear of machinery and plant at the rate which is agreed upon with the surveyor. It should be noted (1) that the wear and tear allowance is always deducted after the average has been struck; (2) that if the allowance cannot be given effect to in the year to which it relates on account of the smallness or absence of profits, the whole or any balance thereof may be carried forward to be deducted the following year, and so on until the profits are sufficient to take full advantage of the deduction; and (3) the aggregate allowances for wear and tear must not exceed the actual cost of the machinery and plant to the person carrying on the business. In our example we will assume that the wear and tear allowance is £270. We are now in a position to deal with the firm's return, which must be signed by the precedent acting partner of the firm. The statement of income will show—

Profits of business carried on by X,	
Y, and Z	£5,503
Less claim for wear and tear	270
Net total	£5,233

and Declaration D (Parts III and IV) will show how this amount is divided amongst the parties interested

Annual Charges payable out of the profits, to persons other than the partners—

Chief Rent	£80
Interest on Loan	50
Patent Royalties	100
Annuity	300
making a total for Part III of	530
Leaving to be divided amongst the partners themselves	4,703
	£5,233

Partners' interest on capital and salaries amount to

	X			Y.			Z.		
	£	s.	d.	£	s.	d.	£	s.	d.
Shares of the Firm's Schedule D Return	2,852	0	0	1,411	0	0	440	0	0
Shares of the Firm's Interests and Dividends receivable in the year 1919	75	0	0	20	0	0	5	0	0
Shares of the Firm's Schedule A Assessment	562	10	0	150	0	0	37	10	0
Income from Investments	1,500	0	0	900	0	0			
Wife's Income	6,000	0	0						
Total Incomes of the Partners	10,989	10	0	2,481	0	0	482	10	0

£1,900, so that the sum of £2,803 is divisible in the proportion that actual profits are divided, viz.—

	X.	Y.	Z.
Division of £2,803	£2,102	£561	£140
Salaries	—	600	300
Interest on Capital	750	250	—
giving the "shares of each partner" for Part IV of the declaration	2,852	1,411	440

We will now deal with the separate returns of each partner, and we learn that (1) X is in receipt of £1,500 a year from investments, and that his wife has an income of £6,000 from settled investments; (2) Y has an income of £900 a year from investments; (3) Z has no other income, but he has three children under the age of sixteen years; (4) and life assurance premiums are paid as follows: X, £1,200; Y, £530; and Z, £25. (See bottom of page.)

Each partner will return his share of the firm's profits in his separate "statement of income," and at the foot of the same page would state full particulars of, and sign the claim in respect of any allowances to which he is entitled. These allowances will be made from the firm's assessment.

The tax paid under Schedule A, and by deduction from income received on investments, should be borne by the partners in the proportion in which they share profits. (For the third example, see next page.)

The Finance Act of 1907 provides that where a business has been "set up or commenced," and a full three years' average cannot be taken for the purpose of arriving at the assessment, any person so assessed who proves that the actual profits for the year of assessment were less than the assessment shall be entitled to be charged on the actual profits only, and if he has paid on the amount assessed, shall be entitled to repayment of the amount overpaid. The same Act also provides that where a business is discontinued, any person charged or chargeable with tax in respect thereof, shall be entitled to be charged only on the actual profits of the last three years; and if the tax paid in respect of the last three years is in excess of the tax on the actual profits, such person is entitled to repayment of the excess.

Where at the end of a year of assessment it is ascertained that a loss has been sustained, a claim may be made to either (1) repayment of tax on or reduction of assessment by the amount of such loss, or (2) repayment of the tax actually paid, or cancellation of the assessment if the actual loss equals or exceeds the amount of the assessment. In the former case, the loss cannot be taken into account in arriving at subsequent assessments, and in the latter only the balance of the loss, which is not covered by the repayment (or discharge of

EXAMPLE NO. 3. LIMITED LIABILITY CO. (MANUFACTURING)

Particulars.	1917	1918	1919	Particulars	1917	1918	1919.
	£	£	£		£	£	£
To Repairs and Maintenance . . .	1,000	1,500	1,000	By Sales . . .	26,000	31,000	36,000
" Depreciation Reserve (a) . . .	500	500	500	" Rents from Buildings (m) . . .	100	100	100
" Light and Water . . .	300	320	300	" Transfer Fees . . .	5	—	—
" Legal Charges (b) . . .	25	—	—	" Dividends on Shares (n) . . .	25	30	40
" Income tax Sch. D (c) . . .	1,100	1,150	1,200	" Interest on Debentures (n) . . .	50	50	50
" Do? Sch. A (c) . . .	25	25	25	" Interest on Deposit . . .	20	10	10
" Ground Rent (d) . . .	5	5	5	" Sundry Receipts . . .	40	50	60
" Goodwill (e) . . .	500	500	500	" Premium on Debentures issued at 105 (j) . . .	—	—	50
" General District and Poor Rates (m) . . .	50	50	40				
" Preliminary Expenses (g) . . .	250	250	250				
" Underwriting Commission (g) . . .	350	100	200				
" Auditors' Fees . . .	20	20	20				
" Discount on debentures issued at a discount (e) . . .	—	25	—				
" Brokerages on Shares (e) . . .	10	—	—				
" Printing and Stationery . . .	25	30	15				
" Administration & Office Expenses . . .	3,000	3,200	3,100				
" Debenture Interest (f) . . .	150	150	150				
" Bank Interest (g) . . .	20	10	—				
" Railway carriage and other transport charges . . .	50	60	50				
" Office Furniture (h) . . .	25	25	25				
" Directors' Fees (i) . . .	100	100	100				
" Renewals (k) . . .	600	—	200				
" Trustees Fees (i) . . .	50	50	50				
" Insurance . . .	50	50	50				
" Bad Debts . . .	20	30	20				
" Loss upon Sale of Investments (l) . . .	20	—	—				
" Balance . . .	17,095	23,090	28,500				
	£26,240	£31,240	£36,310		£26,240	£31,240	£36,310

NOTES.—(a) This is an allocation of profits. Sums added to reserve may not be charged against profits for income tax purposes.

(b) This is assumed to have to do with the arrangement of a lease, and as such it may not be deducted.

(c) No income tax may be charged against profits.

(d) Tax should be deducted from this. All allowances will be made for the full annual value of the premises.

(e) These are obviously capital charges. Compare (o).

(f) Tax should be deducted from this. The assessment must include all debenture interest paid.

(g) This is assumed to be interest on overdraft, and is allowed.

(h) Additions and improvements, or sums written off.

(i) These are allowed as expenses. Directors and Trustees are assessed individually under Schedule I.

(k) These are added back because Depreciation is allowed for.

(l) This would be allowed if the company's business included the buying and selling of stocks as an essential feature.

(m) Rents from sub-lettings must be included, inasmuch as rates on the premises sub-let are charged. A deduction will be made (for income tax purposes) equivalent to the rents paid for, or the full annual value of, premises occupied and sub-let.

It is preferable to exclude all receipts and expenses relating to sub-lettings if it is possible.

(n) These are assumed to be taxed before receipt.

(o) This is not taxable. Compare (e).

Adjustment

	1917	1918.	1919.
Balance of amount . . .	£17,095	£23,090	£28,500
Add inadmissible charges: . . .			
Depreciation Reserve (a) . . .	500	500	500
Legal charges (b) . . .	25	—	—
Income Tax, Schedule D (c) . . .	1,100	1,150	1,200
Income Tax, Schedule A (c) . . .	25	25	25
Ground Rent (d) . . .	5	5	5
Goodwill (e) . . .	500	500	500
Preliminary Expenses (g) . . .	250	250	250
Underwriting Commission (g) . . .	350	100	200
Discount on Debentures (e) . . .	—	25	—
Brokerages on Shares (e) . . .	10	—	—
Debenture Interest (f) . . .	150	150	150
Furniture (h) . . .	25	25	25
Renewals (k) . . .	600	—	200
Loss on Investments (l) . . .	20	—	—
Total . . .	21,555	25,820	31,055
Deduct taxed income and charges not made but admissible . . .			
Dividends (n) . . .	25	30	40
Interest on Debentures (n) . . .	30	50	50
Premium on Debentures issued (o) . . .	—	—	50
Annual Value of premises . . .	450	450	450
Total Deductions . . .	525	530	590
Profits for Income tax purposes . . .	£21,030	£25,290	£31,365

It is assumed that £400 is due for wear and tear. The Assessment for 1920-1921 is therefore— $\frac{21,030 + 25,290 + 31,365}{3}$

$£25,895 - £400 = £25,495$.

the assessment), may be deducted from profits for future averages.

Schedule E relates to the salaries, pensions, annuities, remuneration, and fees paid to persons in respect of offices or employments under the State, corporations, public bodies, and companies.

In the case of Government officials the tax is collected by the authorities by way of deduction, and the same method is adopted as regards the officials of railway companies, whose salaries are assessed on the company at the head office. In other cases, the assessment is made direct on the taxpayer, based on information supplied to the local assessor by both the employer and the employee. The tax under this schedule is charged upon the actual profits of the year of assessment, but a concession is made to persons occupying subordinate positions, inasmuch as they may be assessed on a three years' average, as if they were chargeable under Schedule D.

Expenses which are wholly, exclusively, and necessarily incurred in the performance of the duties of the office or employment are allowed as a deduction from the gross profits, in order to arrive at the amount assessable.

Where an income taxable under Schedule E fluctuates, either wholly or in part, as where a manager for a limited company is remunerated by a fixed salary and a percentage on the profits, it is, of course, impossible to state in advance the amount

of such "actual profits of the year of assessment," and in order to avoid the necessity of annual adjustments of the assessments when such actual profits are ascertained, the practice is to include the fluctuating part of the income at the amount received in respect thereof during the completed year next preceding the commencement of the year of assessment, so long as the basis of calculation remains the same. For example, the salary of a manager of a company is a fixed sum of £500 a year, together with a commission or bonus depending on trading results, and which amounted to, say, £45 for the year ended December 31st, 1917, £125 for 1918, £30 for 1919, and £230 for 1920. The assessments (exclusive of any abatements or allowances to which he may be entitled) would fall to be made as follows—

<i>For the financial year to—</i>	<i>Fixed Salary.</i>	<i>Com-mission.</i>	<i>Total.</i>
April 5th, 1919	£500	£45	£545
April 5th, 1920	£500	£125	£625
April 5th, 1921	£500	£30	£530
April 5th, 1922	£500	£230	£730

Directors' fees are taxed under this schedule, and the tax thereon should be collected from the directors personally. When all incomes were liable to tax at the same rate, it was not unusual for the company to pay the tax and then deduct the same when paying the fees, unless the fees were payable "free of tax," in which case the tax was really additional remuneration, but since the principle of differentiation was introduced, directors' fees are only liable at the appropriate rate for the "earned income" of each separate director, and the application of the old method is consequently not desirable.

TAXATION OF COSTS.—A solicitor is always entitled to make a special bargain with his client as to the costs which he will charge, but in the absence of any such agreement he cannot charge at an exorbitant rate. There are certain limits beyond which it is impossible to go. This is settled, in case of dispute, by one of the masters of the High Court. The procedure is as follows. The solicitor delivers his bill and it is then possible for the aggrieved client to complain of excessive charges. The bill goes before the taxing master, who considers the items in detail, and either allows the fee charged or deducts what he considers fair and reasonable under the circumstances. A client should always be careful in demanding taxation, for unless he succeeds in reducing the bill of costs as delivered by at least one-sixth of its total amount, he will be called upon to pay the costs of the taxation.

TAXATION, PRINCIPLES OF.—The State now subsists, not as it once did on the private income of the monarch, the hereditary or "ordinary" revenue of the Crown, but on what is very oddly still called the "extraordinary" revenue depending upon taxes imposed by Parliament. The first has diminished till it is negligible. The latter has increased with the growing complexity of our social system, and the keen sense of the need for State action in the most diverse directions—not alone for defence, for criminal and civil justice, and the like, but for sanitation and all that is included in the phrase "improving the environment of its subjects." A revenue of fifty million was, less than a hundred years ago, bitterly inveighed against by

our ancestors; to-day a budget of over one thousand millions is accepted as inevitable. Since the whole of the enormous sum necessary is the creation of Acts of Parliament, since, that is, it is due to us through our accredited representatives, there is more need than ever of having definite principles on which to impose this taxation.

An examination of our own system of taxation will show that it conforms in great measure to the four celebrated maxims enunciated in 1776 by Adam Smith. Slowly and tentatively, and with many a relapse into evil courses, we have achieved a system which is, roughly at any rate, marked by Equality, Certainty, Economy, and Convenience.

1. By Equality is to be understood not, of course, equality of payments, but equality of sacrifice. It means apportioning the expenses of the State among its subjects, so that, as far as possible, each feels the same amount of inconvenience from his share in the payment as everyone else experiences from his. As the State ought to make no distinction of persons in their claims on it, so it must distribute its burdens in such a manner that no one in order that the weight borne by another may be alleviated, is unfairly oppressed. All should contribute as nearly as may be in proportion to their several abilities, according to their faculties. In rougher phrase, the stoutest shoulders should bear the biggest burdens. Only thus is taxation made equitable or just. Our income tax, for instance, has gradually been brought into some harmony with this maxim: a person pays not in direct proportion to what he has, but in proportion to what he can afford to spend. A minimum of income, sufficient to provide a labouring family with all the requisites of life and health, has always been exempted from the tax. It has been felt that the sacrifice involved in a tax which trench on the necessities of life is not only infinitely greater, but of quite another quality than that involved in a tax which could be saved by dispensing with luxuries. The minimum which was immune from taxation used to be small indeed, in 1798, when the tax was first exacted at the rate of 2s. in the pound, £60 only was exempted, and that at a time when the price of wheat was treble what it now is. We now have a higher standard for the smallest income which a family ought to have. The man with a temporary income, which is dependent on his retention of working power, is obliged to save much more for future contingencies than the man with a permanent income, which he may spend to the last penny each year, and yet leave the source unimpaired to his descendants. In 1853, therefore, Gladstone introduced the exemption from income tax of that portion set aside for insurance. Then, again, we have, since 1909, the relief granted in respect of children, which alleviates the burden where alleviation is very welcome, and an abatement is allowed in case of married men and for certain dependents.

Moreover, by means of the added tax—super-tax—we have had introduced into our income tax system the principle of graduation, though Mill condemned the principle of progression on the plea that, being partial not equitable taxation, it was a mild form of robbery. "To tax the larger incomes at a higher percentage than the smaller is to lay a tax on industry and economy; to impose a penalty on people for having worked harder and saved more than their neighbours." We have, however, adopted the same principle also in the

Death Duties, and in spite of the weighty authority quoted, it is hardly likely that we shall abandon the principle. On the contrary, its extension seems probable, especially as with the present high limit of exemption those who pay these taxes are in a decided minority.

By reason of the super-tax at one extreme and the exemptions and abatements at the other, our income tax exhibits at the same time the qualities of progression and degression. It is progressive or graduated in that it deducts a higher percentage from large than from moderate incomes; it is degressive in that it relieves the smaller incomes in proportion to their smallness. With proper safeguards, the income tax is well fitted to be the chief instrument for raising the revenue. The seemingly insuperable difficulty in its application is that of ascertaining the real income. Despite the irregularities which militate against a fair assessment, there is a steady advance in the percentage of revenue raised by direct as opposed to indirect taxes; and this is as it should be. Direct taxation is disagreeable; to the taxation which we pay through the intervention of the grocer or the wine-merchant we remain passive. When everyone knows how much he really pays, taxation will be more detested than now; and such a demand for economy in the nation's business would arise that the desired end would be attained. Against this advantage must be placed the facts that evasion of the tax would much more frequently be attempted, that we regard the indirect tax with no resentment—the amount of the indirect tax they pay is evident to the taxpayers only at its first imposition; afterwards it appears part of the natural price—and that direct taxes cannot be collected in small portions according to the convenience of the payer. On the other hand, an ill-judged tax on an article of consumption is an incentive to smuggling; a tax quickly exceeds the insurance premium against the capture and forfeiture of the goods in question. Besides, extravagance on the part of the Government is more likely to exist when the burdens imposed on the taxpayer are concealed.

Ground-rents and the ordinary rent of land are, perhaps, the species of revenue which can best bear to have a peculiar tax imposed upon them. Ground-rents seem, in this respect, a more proper subject of peculiar taxation than even the ordinary rent of land. The ordinary rent of land is, in many cases, owing, in part at least, to the attention and good management of the landlord. A very heavy tax might discourage too much this attention and good management. Ground-rents, so far as they exceed the ordinary rent of land, are altogether owing to the good government of the sovereign power, which by protecting the industry either of the whole people or of the inhabitants of some particular place, enables them to pay so much more than its real value for the ground which they build their houses upon. Nothing can be more reasonable than that a fund which owes its existence to the good government of the State should be taxed peculiarly, or should contribute something more than the greater part of other funds towards the support of that government. It is to be noted that the rent of agricultural land, what is called above "the ordinary rent of land," is exempted from the operation of the tax, this "increment" is, indeed, in many instances, a negative one. Modern transport facilities enable the whole world to compete with British wheat growers, and rents have accordingly

declined, till, say the landlords, they afford no more than a fair return for capital sunk in the land for a couple of generations.

II. The best method of establishing the principle of justice in a tax system is to ensure the principle of Certainty. When it is clearly known to the taxpayer and to every other person how much, in what manner, and at what time he has to pay, the sense of justice inherent in men will gradually bring about equity. So long as there exists anything arbitrary or uncertain in the system, it is vain to attempt the redress of injustices. Certainty is, therefore, in a manner, even more to be considered than equity. "A very considerable degree of inequality, it appears from the experience of all nations, is not near so great an evil as a very small degree of uncertainty." In this country we have always been deeply convinced that no discretionary or arbitrary power shall be allowed to Government officials. In the eighteenth century, though many of the Continental nations were far from being oppressed, in none was a man secure from the arbitrary action of the State. Foreign observers admired England, not for the leniency or goodness of its government, but because no action of government took place unless it had been previously authorised by law. Certainty was ensured.

In our tax system, two special devices make for certainty—stoppage of income tax at the source, and the imposition of specific rather than of *ad valorem* duties. Stoppage at source affords some security for fair assessments, at the same time as economy in collection. For (1) the person from whom the State receives payment has no personal interest in withholding what is legally due; (2) the income can be better observed at the source: at the point of its ultimate receipt it can only be presumed; (3) there should be a great simplification of the transactions necessitated by the payment.

In theory, specific duties based on piece, or measure, or—what usually obtains—weight, are less equitable when compared with *ad valorem* duties, by which a certain percentage of the value is demanded. But their superior certainty more than balances this objection, so that in most countries they have largely superseded *ad valorem* duties. In our system such duties are quite exceptional. Tea sold at the highest price pays exactly the same tax as the cheapest. In spite of this palpable injustice to the consumers of the poorer qualities, the frauds and complexities, the various declarations of value and the intricate calculations and checkings which are incident to *ad valorem* duties, incline the balance in favour of the eligibility of specific duties.

III. A tax satisfies the maxim of Economy when it both takes out and keeps out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State. If the levying of a tax requires a large number of officials and much complex machinery, a great portion of the produce of the tax will have been eaten up in salaries and expenses before the public services can benefit. The tax may divert to a less profitable employment a portion of the labour and capital of the community, to prevent evasion certain employments may be subjected to vexatious restrictions. It would appear almost inevitable that most taxes on commodities should conflict to some extent with this maxim. Consider the tobacco tax, for example. We have a multitude of customs officers not only to collect the tax, but to prevent or to detect smuggling; we have an elaborate system of

bonded warehouses; it is found needful to limit the landing of tobacco to certain selected ports; and we are obliged to forbid the home production of tobacco except under excise taxes, which again require a multitude of officers. In spite of our precautions, attempts at smuggling persist, and the prosecution of those unsuccessful in the attempts is another tax on the community.

But since about half our revenue is still raised by taxes on commodities, it is well to consider what rules might in practice reduce the objections to such taxes. *A*—On the assumption that a subsistence income must be immune, not "necessaries" but "luxuries" are the most suitable subjects for taxation, and the luxuries should be, so far as possible, such as are (1) in general demand, so as to ensure productivity; (2) stimulants, because these, though as permissible indulgences as any others, are more liable to be abused, so that some good is afforded by a check on consumption due to a rise in prices. It may not be possible to render a nation sober by Act of Parliament, yet we may indirectly do a good deal in that direction; (3) connected with vanity rather than with positive enjoyment, *e.g.*, armorial bearings, carriages, and the like *B*.—To avoid unnecessary expense in collection and vexatious interference with many trades, the articles selected should be: (1) Few in number—taxation should be concentrated rather than diffused. We have proceeded far in this way: before the reforms of Peel and Gladstone, over 2,000 articles were taxed, now there are about twenty. (2) Articles of import rather than of home production.

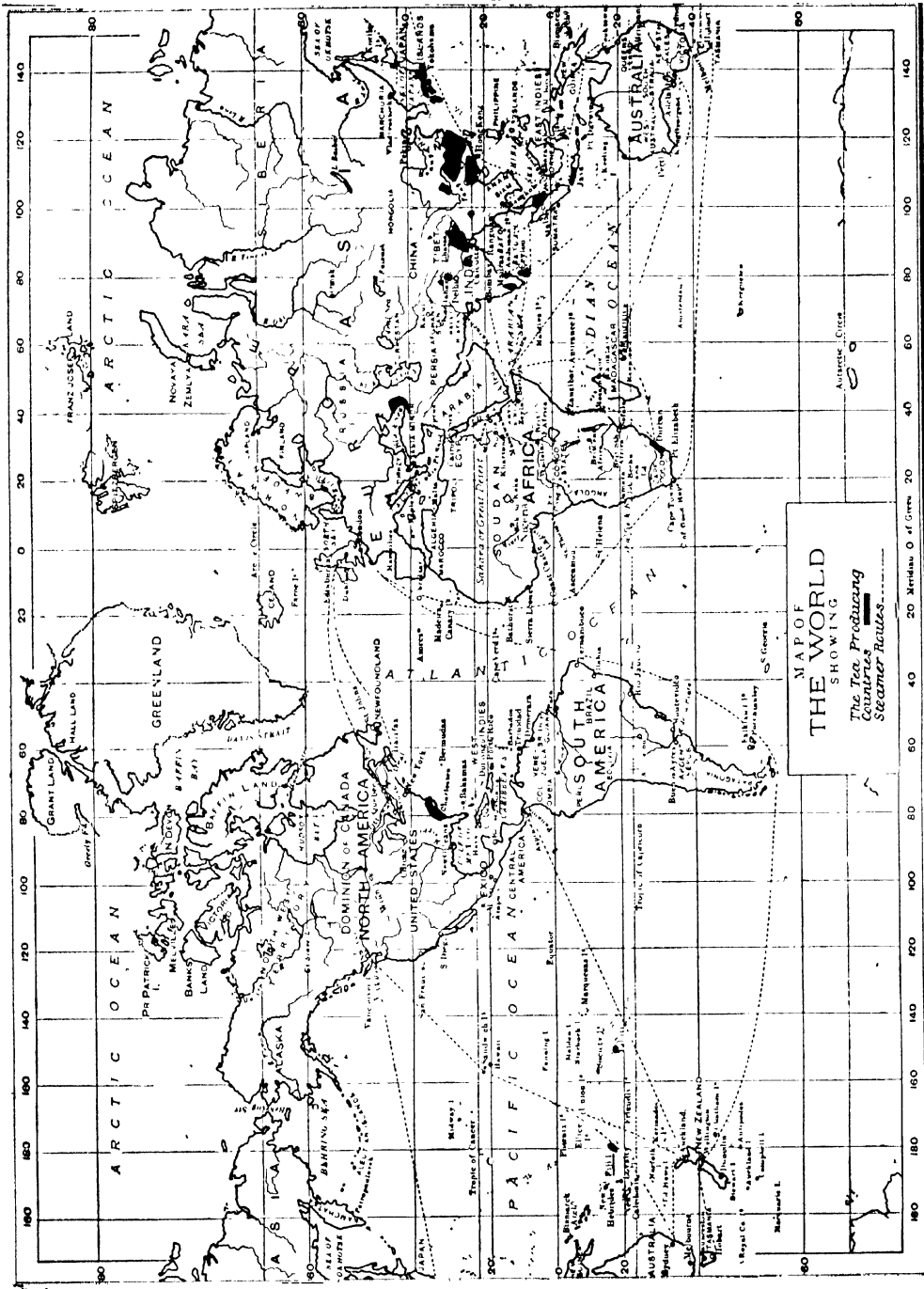
IV. A tax is characterised by Convenience when its payment involves no needless trouble or annoyance. Direct taxes are with us not very onerous from this point of view. We may, within a lengthy period, choose our own time for payment. Indirect taxes are, however, most "convenient" we pay these by insensible portions as we have occasion for the goods, and it is one's own fault if he is unduly incommoded by the payment. We may escape them altogether by not purchasing the taxed article—as we could escape the income tax by not earning sufficient income; but not much weight should be attached to this argument. We may save a tax on, say, tobacco, by restricting our consumption of this luxury; but we might save enough to pay the tax if imposed on income, also by limiting our consumption of tobacco.

It will be seen that taxation has been treated from the point of view of raising a revenue. This primary purpose of taxes is sometimes complicated by a desire to protect the interest of producers at home by a wish to handicap producers abroad, by an anxiety to divert capital and labour from one industry to another, sometimes even by a feeling that one section of the community should be subsidised at the expense of the rest. In all these cases the perplexities of the legislator, who would frame a code of taxation on economical principles, are vastly increased.

TAXES AND THEIR ASSESSORS.—Taxes are payments for the public services, whether local or national. Some special benefit may be pointed to as a result of the payment; taxes for the Navy are an insurance premium against the loss of the foreign exporter's trade; the library rate or the rate for sanitary purposes affords a definite utility to the individual payer as well as to the community at large; but public, not individual, service is primarily the object of taxes.

The essential quality of the payments—that which distinguishes them from all other disbursements—is that they are compulsory, not voluntary. We may, of course, say that, by means of our representatives in Parliament or in the local councils, we consent to the payments. We have come to rely on general consent to give force to legal enactment; and taxation is no longer what it used to be: "The art of so plucking the goose as to secure the largest amount of feathers with the least amount of squealing." Our agents assess the amounts which we pay; and once assessed, not alone the assenting majority, but the reluctant minority, must also pay. The taxpayer may, very unwisely, take little interest in the choosing of those who will have power to undertake obligations for him; he is forced to take interest in the results of their deliberations. Taxes have at times borne the gentle names of "gifts" or "benevolences" granted in answer to the "prayers" of the sovereign; but the prayers were such as could not be denied without grave danger, and we may presume that little goodwill accompanied the ironically-styled "benevolences." However this be, in modern times the definition holds good: A tax is a compulsory contribution from the wealth of a person for the services of the public powers. It should not be confounded with two other sources of public revenue: (1) Prices, charges for special services, *e.g.*, carriage of letters or railway charges where the State owns and works the railways—which people are not compelled to accept. But with an effective monopoly the State may charge such prices that an element of taxation enters into them, *e.g.*, tobacco in France and postage in the United States. On the other hand, it may offer a bounty on consumption of goods or services by charging a lower price than an individual could do, *e.g.*, tram rates in some localities, railway charges in the Colonies, and payments in regard to baths and wash-houses in most places where they have been established. (2) Fees where the service rendered is essentially a public one, though beneficial to the individual from whom the fee for the service is exacted. Such are licence fees and judicial fees. In a fee, besides the special private benefit, there is a predominant public service; in a price, the public service is not prominent.

Local taxes are called rates. The distinction between contributions for national and those for local services originated in the fact that, when an amount was required for local needs, it was apportioned among the dwellers in the locality, in accordance with their visible property. The tax, on the contrary, was assessed at so much on each unit—each tun or pound—and its yield was uncertain. Now that estimation of the yield of taxes has become an almost exact science, there is no essential distinction between a local rate and an Imperial tax: both are the effects of exertions of State activity, which always means expense. But the separate words are worth retaining for these among other reasons: (1) Rates are usually—as when imposed for repairs and improvements of streets, for lighting, draining, and scavenging—of obvious and direct benefit to the adjacent property. Such payments ought to yield a surplus of satisfaction to the payers: they are beneficial or remunerative rates. Taxes, however, seem to yield no tangible compensation to the payers, though in any tolerably governed country they yield a benefit far more than equivalent to the cost. Such payments



may be, looked at from the individual standpoint, onerous. "Services which are preponderantly national in character are, as a rule, onerous, those which are preponderantly local in character generally confer upon ratepayers a direct and peculiar benefit more or less commensurate with the burden." (2) Rates are assessed directly not upon the owners, but upon the occupiers of certain kinds of property, of "real" estate.

Taxes may be direct or indirect. A direct tax is demanded from the persons who, it is intended and desired, should pay it: the sacrifice involved in its payment cannot be transferred. The great instance of such a tax is the income tax, from the incidence of this no escape offers. Such, too, are taxes on the keeping of dogs or carriages. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another. The tea importer is not peculiarly obnoxious to the tax assessors, though he pays tax on every lb. of tea he imports. The people aimed at are the consumers of tea from whom it is supposed—and the supposition is usually quite justified—the amount paid will be recovered in the price. Indirect taxes are usually on commodities, though the licence to sell alcoholic liquor, creating as it does a modified monopoly, is shifted to the consumer. They are, whether import duties or excise duties, obviously unsuitable for local taxation, they are difficult to estimate owing to the variations in demand which a rise of price may cause; and the expenses of collection are, as a rule, much higher than in the case of direct taxes—the glaring instance was afforded by the stamp duties imposed on the American colonists, duties which never paid their cost of collection and which, incidentally, lost us the American colonies. But indirect have always been more popular than direct taxes, there is an "ignorant impatience" of direct taxation contrasted with the easy manner in which people consent to let themselves be fleeced in the price of goods.

TAXING MASTER.—One of the masters (*qv*) of the High Court whose business it is to tax the bills of solitors, and to fix the charges which ought to be allowed in cases of disputes as to the same between solicitor and client. (See **TAXATION OF COSTS**.)

TCHO.—(See **FOREIGN WEIGHTS AND MEASURES**—**JAPAN**.)

TEA.—One of the most popular beverages of Great Britain, with a stimulating action, due to the presence of the alkaloid theine. It is obtained by infusing the dried leaves of two species of *Thea sinensis*, an evergreen shrub extensively grown in China, Japan, India, and Ceylon. From its introduction into Britain in the early part of the seventeenth century until the middle of the nineteenth century, tea was obtained almost exclusively from China, but since that time tea-planting has made rapid progress in the Indian Empire, which now supplies more than one-half of the world's demand. China tea is, however, again being consumed on a large scale, being recommended by the medical profession as more digestible. The best tea is obtained from the young leaves of the plant. These are picked by hand; fermented by exposure to the air on circular trays, roasted in iron vessels; rolled by hand, and finally dried in sieves over charcoal fires. The different kinds of tea depend not only on varieties of plant, soil, and climate, but also on the method of

treatment, particularly on the management of the fermentation process. The only difference in the preparation of green tea and black tea is that in the former variety the leaves are roasted as soon as gathered or after very short exposure. The best known black teas are congou, pekoe, souchong, and bohea, while hyson, imperial, and gunpowder are the chief green varieties. In Central Asia and Tibet, tea is mixed with small quantities of butter and salt, and pressed into the shape of bricks, and is hence known as brick tea. Arabian tea is obtained from quite a different shrub, viz., the *Camellia theifera*.

The tea-producing countries of the world are shown on the map given as an inset.

TEAK.—The Malay name for the *Tectona grandis*, a tall tree of India and the East Indies, noted for the hardness and durability of its wood. Teak is extensively employed for shipbuilding and in the construction of bridges, railway carriages, etc. It is also used for furniture. A red dye is obtained from its leaves. Burmah is the chief exporting country.

TEASEL.—A genus of plants, of which the common variety is found in England. The best known species is the *Dipsacus fullonum* or fuller's teasel, so-called because the flower heads, with their prickly, hooked acorns, are used by cloth manufacturers for raising the nap. France and Austria are the chief exporting countries. It is also spelt teazel.

TECHNICAL EDUCATION.—An Act to facilitate the provision of technical education was passed in 1889 and amended in 1891. Both Acts have been repealed and the powers under them merged in the Education Act, 1902. The substance of the repealed Acts still holds good, and will serve to illuminate this article. A local authority has power to supply technical or manual instruction to such an extent and on such terms as the authority may think expedient. No religious test is to be applied to any pupil, the teaching of technical subjects being held to be entirely secular and not part of the ordinary curriculum of an elementary school. Examinations may be set to test the capacity and knowledge of the pupils. The cost of technical education is to be borne partly by the local rates and partly by Government grant.

Technical instruction means instruction in the principles of science and art, applicable to industries, and in the application of special branches of science and art to specific industries or employments. It does not include teaching the practice of any trade, industry, or employment, but includes instruction in the branches of science and art in respect of which grants are made by the Department of Science and Art, and any other form of instruction, including modern languages, and commercial and agricultural subjects, which may, for the time being, be sanctioned by that department by a minute laid before Parliament, and made on the representation of a local authority, that such a form of instruction is required by the circumstances of its district. Manual instruction means instruction in the use of tools, processes of agriculture, modelling in clay, wood, and other material.

The Education Authority. The provision of scholarships, or the payment of the fees of students ordinarily resident in the district, forms an encouraging part of the scheme of technical instruction. The Education Act, 1902, created the council of every county, and of every county borough the local education authority. This authority has the

exclusive power to deal with higher education, of which technical education forms one class or division. The county council, or county borough council, must consider the educational needs of their area, and, after consultation with the Board of Education, must supply higher education and co-ordinate all forms of education. By co-ordination is meant the proper arrangement of education in steps, from the most elementary to the highest of all, so that a young student, equipped by nature with a perfect human brain, great industry, and ambition may step, day by day, and year by year, in a regular gradation of upward progress, from his humble place in the county elementary school to the highest position which is open to ability, industry, and character.

The Expenses. The local education authority may allot from a Government grant, whatever sum they deem necessary, for the provision of technical education and further money may be raised by means of the county rate. The amount of the rate for this purpose was formerly limited to 2d. in the £ but this limit has been removed by the Education Act, 1918. The local education authority must not ignore the work of existing efficient schools, or colleges, or technical institutes, or polytechnics, and must work with them, not against them. Power is further granted to bodies smaller in extent than those already named to provide technical education in their areas exactly as described above.

The Education Committee. The local education authority works by means of its education committee. This committee manages everything which relates to technical education, except the raising of a rate, this can only be done by the county council, the county borough council, the borough council, or the urban district council. The education committee must consist of a certain number of members of the council, of a number of persons, including women, not members of the council, who have experience in education, and are acquainted with the needs of the various kinds of school in their area. Where any parish or parishes are specially served by technical education centres, the committee have power to charge the expenses, in whole or in part, upon such parishes.

The education committee may borrow money for its purposes, and may take over the management of any school, college, or technical education centre. An evening school in which a great portion of technical education is provided is not an elementary school, but is classed under higher or secondary education. The education committee provides a body of managers for each technical school, or group of such schools, they have authority to deal with such matters as relate to the management of the school, and subject to such conditions and restrictions as the local education authority may determine.

The Scope of Technical Education. The Education Code says of secondary schools and, therefore, of technical schools, that they offer to each scholar up to and beyond the age of sixteen, a general education—physical, mental, and moral—given through a complete graded course of instruction, of wider scope and more advanced degree than that given in elementary schools. "But the scholar who must, at the age of fifteen, begin an industrial employment, or enter the lower ranks of business, needs a course of instruction different from that of the secondary school, and yet one which is higher

in standard and somewhat more special in aim than that given in the ordinary public elementary school. While he should develop more fully his study of some of the fundamental subjects of the elementary school curriculum, he should also give time to the study of other subjects which he can apply to his own practical needs." Different districts will require different technical teaching; a purely agricultural district would emphasise the special needs of agriculture, which includes knowledge of the soils, the raising of food stuffs, the rearing of cattle, manures, pests, and diseases of animals and plants. A great woollen centre, like Bradford, would require technical training in dyes, weaving, raw material, chemistry, analysis, and so on.

The Subjects Taught. The following subjects will be included in the course: The progressive study of the English language, elementary mathematics, history, and geography. The teaching of the elements which form the basis of fine workmanship, the use of machinery, the handling of tools, design, practical working of wood, vegetable products, and metals, and foreign languages. The Code makes a remark of such weight that it ought to be pondered by teachers and scholars alike: "To learn to do a thing with mechanical accuracy, and to neglect to consider why a thing is done in one way and why not in another, will not encourage that adaptability and intelligent understanding of routine work which add so much to the value of an employee, and to his own powers of self-development and advancement." (See CONTINUATION SCHOOLS.)

TELEGRAMS.—(See TELEGRAPHS.)

TELEGRAPH LETTERS.—The hours for posting letters in any town to be delivered by the first post on the following morning in any other town is often early, and the interval between the first and second delivery may be a matter of importance. To avoid this, telegraph letters were introduced by the Post Office in 1912, to pass from any one to any other of certain places mentioned in the *Post Office Guide*. These letters can, generally speaking, be transmitted up to midnight, and will be delivered by the first post in the morning in the town to which they are addressed. The letter is, of course, sent by telegraph. (See POST OFFICE.)

TELEGRAPH MONEY ORDER.—A method of remitting money by telegram through the Post Office. (See MONEY ORDERS.)

TELEGRAPH RESTANTE.—This term signifies a telegram which is to remain at a named telegraph office until it is called for.

TELEGRAPHS.—For full particulars of the telegraph service, the *Post Office Guide* should be consulted. Only the most important points can be referred to here.

The Postmaster General's telegraphs may be used by the public for communication with all parts of the United Kingdom, with places abroad, and with ships at sea. Communications within the United Kingdom are known as inland telegrams, other communications as foreign and colonial telegrams or radiotelegrams. The charge for an inland telegram is independent of distance, and depends upon its length only. The foreign and colonial telegraph system and the radiotelegraphic system are largely regulated by International Conventions, to which nearly all the states of the world are parties. The Postmaster General constructs private telegraph lines on rental terms.

Head telegraph offices are usually open on weekdays from 8 a m. to 7 p m. Many sub-offices are not open until 9 a m. In London and in a few of the largest towns the head office is always open, day and night, and in many other towns telegrams may be despatched at any hour from the railway station.

The Postmaster General is not liable for any loss or damage which may be incurred or sustained by reason or on account of any mistake or default in the transmission or delivery of a telegram.

The charge for inland telegrams is 1s. for the first twelve words, including the address, and 1d. for every additional word. As to counting of words, see under CABLES AND CABLING.

Telegrams should be written on the proper forms. Unstamped forms can be obtained free of charge, and postage stamps should be affixed to them by the senders. Forms with embossed stamps can be obtained singly; or, in books of 20, interleaved and with a sheet of carbonic paper. The cost of a reply, not exceeding forty-eight words, may be prepaid. A reply form will then be delivered to the addressee, who will be at liberty to use it for any inland message at any time within twelve months. If the form be not used, its value will be refunded from headquarters to the sender of the original telegram if he applies and sends the form within twelve months to the local postmaster.

Telegrams are delivered free of charge within three miles of the office nearest the address, which is called the terminal office; and when that office is a head post office no charge is made for delivery within the town postal delivery.

In most cases subscribers to telephone exchanges can make general arrangements to have all telegrams (except Press telegrams) delivered by telephone instead of by messenger, but in large towns this can be done only if the subscriber has a registered telegraphic address. Written copies of telegrams delivered by telephone will be sent to the addressee either by post in daily batches without extra charge, or singly as express letters on payment of express fees. No charge is made to a subscriber for recording instructions for the delivery by telephone from the normal delivery office of his fully addressed telegrams.

The address of a telegram should be sufficiently full to enable it to be delivered without difficulty, and without reference to directories or other sources of information. An address ordinarily used for letters is not necessarily correct or sufficient for telegrams.

Telegrams may be addressed to the telephonic addresses of exchange subscribers for delivery by telephone. The telephonic address to be used in such cases must comprise the subscriber's name, exchange, telephone number and town, thus: Brown, Midland 127, Derby, or, where the name of the exchange is the same as the name of the town or of a telegraph office or well-known locality which is a sufficient address for telegrams, the address may be abbreviated, thus: Brown, Putney, 127.

The name of the town is not required in addition to the name of the exchange for a telegram originating in the same town.

Any person may register an abbreviated or arbitrary address on payment of a registration fee of £1 1s a year, dating from the day of registration. The address must consist of two words, one of which

is to be the name of the town or place of delivery; the other must be a word containing not more than ten letters which is easy to pronounce. In London an additional word indicating the appropriate delivery office is inserted between the registered abbreviation and the word London, without extra charge for registration or inland transmission. Telegrams intended to be delivered to the care of a person who has registered an abbreviated address, must have "care of" or "c/o" written before the abbreviated address, thus: "Smith, care of Hercules, Liverpool." The symbol c/o counts as one word. Abbreviated addresses should be written with great clearness.

A telegram will be delivered at two or more addresses in the same free delivery on prepayment of the ordinary telegram charges for the total number of words in the addresses and text in addition to a charge of threepence for every copy beyond the first. Each address must be complete in itself. Each London Postal District, for example, the district called "South Western" is regarded for the purpose as forming a separate delivery; and when a multiple address telegram for London is directed to one or more registered abbreviated addresses, the district initials must be inserted after each registered address and must be paid for. The Postal District numbers appropriate for letters are not required.

Telegrams can be repeated, if the sender desires it, by being telegraphed back from office to office throughout the course of transmission. The charge for repetition, which must be paid when the telegram is handed in, is one-half the ordinary tariff. Telegrams containing mercantile quotations or figures, and telegrams written in cypher, or according to a preconcerted code, should always be repeated. No copy of a repeated telegram is given to the sender.

Telegrams can be re-directed to a second address either by an officer of the post office or by an agent of the addressee.

A prepaid telegram enclosed in an envelope marked "Telegram, Immediate," may be posted in any letter box either in town or country, or may be handed in a rural district to a postman on his way to a telegraph office.

Telegrams may be accepted at an office after the usual hours on payment of certain fees, if the other offices through which the telegram would have to pass are open and their attention can be gained.

The sender may have instructions, such as "private," "confidential," "to be opened at once," or the like written on the outside of the envelope of the message. He may also insert the words "By hand" before the full address of a telephone subscriber in order to ensure, exceptionally, speedy delivery by messenger. The instructions will be charged for as part of the message.

Telegrams intended for delivery to callers at a telegraph office should contain in the address the words "Poste Restante" or "to be called for." Such telegrams are kept for two clear days at the office to which they are addressed.

For particulars of radiotelegrams, see under CABLES AND CABLING AND RADIOTELEGRAMS.

TELEGRAPH TRANSFERS.—The letters "T.T.", which indicate telegraphic transfer, are found against the names of certain places in the list of foreign exchange rates quoted in the Press, as is shown on page 1620.

~ Foreign Exchange Rates.

Bombay T T.	.. ..	1s 3½d
Calcutta T T.	.. ..	1s. 3½d.
Hong Kong T T.	.. ..	1s 10½d.
Shanghai T T.	.. ..	2s 5½d.
Singapore T T.	.. ..	2s 3½d.
Yokohama T T.	.. ..	2s 0½d.
" 4 months	.. ..	2s 0½d.

The figures indicate the amount in sterling that would be received for each unit of the currency of the place mentioned (rupees, dollars, yen, etc.) and the rate charged for the immediate remittance from one country to London by means of telegraphic advice, the banker or financial house in the town named sending a cablegram with the needful particulars to his correspondent in London to pay out a certain sum to such person as is mentioned in the cablegram. In the case of distant places, the difference between a bill with the ordinary usage of three or four months and an immediate cable remittance is considerable. As will be seen from the foregoing table, the purchaser of a cable remittance (telegraphic transfer) from Yokohama to London would have to pay 2s 0½d. per yen, whereas if he bought an ordinary bill in that town payable in London four months from date, he would receive more for each yen. The difference represents interest, for obviously the Yokohama banker who sells a remittance payable four months later in London has the use of the money for that period, whereas in the case of a telegraphic transfer he does not enjoy the use of the money at all.

TELEPHONES.—The Postmaster General now controls the entire trunk and local telephone service throughout the United Kingdom, except in Hull where the corporation conducts the local service. The telephone trunk lines which connect the various telephone exchange areas throughout the Kingdom can be used by callers at post offices which are connected with the trunk telephone system as well as by subscribers and callers using telephone exchanges. The names of places at which trunk telephone communication is possible are indicated in the *Post Office Guide*.

The fees for the use of the trunk lines are as follows—

For 25 miles or under	.. ..	Fourpence
" 50 " "	.. ..	Eightpence.
" 75 " "	.. ..	One Shilling
" 100 " "	.. ..	One Shilling and Fourpence.
" every additional 40 miles or fraction thereof	.. ..	Eightpence

The distances are usually calculated as between the terminal trunk exchanges through which the calls are effected. Special rates are charged where submarine lines are used. The unit period of conversation is three minutes from the time when the caller or subscriber has been informed that the connection is completed, but any caller, by prepaying a double fee, may secure the option of extending a three minutes' conversation to six minutes on demand at the end of the first period. When the option of extending a call to six minutes has been asked for by a caller, and the call is completed in three minutes, the fee for the second period will be refunded. No person is entitled to use a trunk line continuously for more than six minutes.

The charge for a six minutes' conversation

between 7 p.m. and 7 a.m. is the same as for a conversation of three minutes' duration in the day time. During the same period, for a three minutes' conversation, for which the day charge is 1s., a reduced fee of 8d. is charged, and half the usual day charge is made where the ordinary fee is 1s. 4d., or more.

Any subscriber to a telephone exchange may telephone messages to many post offices which can be reached through the local exchange system, or by means of the post office trunk wires, in order that the messages may be written down and dealt with as express letters or ordinary letters. Similarly, the public may dictate letters from many telephone call offices where trunk calls are accepted. The express delivery service is available only during the hours of telegraph business, and is not available on Sundays at any place outside the London postal district.

Any subscriber to a telephone exchange may obtain the services of an express messenger by telephoning to the nearest post office which is connected with his exchange. The fees for the express service are calculated upon the whole distance travelled by the messenger from the post office.

TELEPHONES, HOUSE.—(See HOUSE TELEPHONES.)

TELLER.—The official behind the bank counter who receives and pays money. When the bank is a large one there are numerous tellers, some to receive and others to pay out. The name was originally taller, *i.e.*, a person who tallies or checks (See TALLY.)

TEL QUEL RATE.—In connection with the Foreign Exchanges the *tel quel* is a rate charged for a bill of such a currency (*e.g.*, thirty days) to which neither the long rate for three months' bills nor the short rate up to ten days applies.

TENANT.—The person who holds property, houses, or land, under an agreement or a lease, and pays rent for the same (See LANDLORD AND TENANT.)

TENANT FOR LIFE.—A tenant for life, or a life tenant, is the person who has a right or interest in landed property during the continuance of his life, or during the life of some other person. In the latter case it is called an estate *pur autre vie*. If on the death of a life tenant the property returns to the grantor of the life interest, or his heirs, the grantor is said to hold the reversion (*q.v.*), but if it does not revert to him but passes to another person, that person holds the remainder (*q.v.*), and is called the remainderman.

A life tenant is entitled to hold the deeds of the property, but he cannot give a charge thereon to any greater extent than the life interest which he possesses in the property.

By the various Settled Land Acts a tenant for life has, under certain conditions, power to sell the settled land, to exchange it for other property, to grant certain leases and to mortgage it where the money is required for enfranchisement or for equality of exchange; but money arising from the exercise of such powers must not be used for the personal benefit of the life tenant. The money, called capital money in the Act of 1882, "shall be paid either to the trustees of the settlement or into Court." The object of the Acts is to free the land settled from the fetters which would otherwise bind it, and to allow the tenant for life to deal with it as though he had the fee simple, always.

taking care, however, that the interests of the reversioners or remaindermen are studied and that the money arising out of any sale, etc., is kept intact.

Where a life tenant gives a banker a charge upon the land in which he holds a life interest, it is customary, seeing that the security may disappear at any moment by the death of the tenant, to require a policy upon his life to be assigned to the bank, for an amount sufficient to cover the amount of the advance. Of course the banker must see that the rents from the property are sufficient, in the event of the borrower's failure, to pay both the interest upon the debt and the premiums upon the life policy. It is also the business of the banker to see that the premiums are duly paid. (See LIFE ESTATE.)

TENANT IN FEE SIMPLE.—The person who has the highest estate in land which the law of the country will recognise and who is, for all practical purposes (though not in theory) the absolute owner. (See FEE SIMPLE.)

TENANT IN TAIL.—The person who is the holder of an estate for the time being, but which cannot be disposed of by him or even dealt with, except in so far as is permitted by the various Settled Land Acts. Upon the decease of a tenant in tail the property devolves in the manner provided for by the entail. (See FEE TAIL.)

TENANTS AND THE LAW OF BANKRUPTCY.—(See BANKRUPTCY OF TENANT.)

TENANTS IN COMMON.—Property may be conveyed to an individual or to a number of individuals, and if these hold together they are either joint tenants (*q.v.*) or tenants in common. Tenants in common have what is called a unity of possession in the property, but each has a separate and distinct share which can be disposed of by will, or inherited by the deceased's representatives. There is no right of survivorship; that is, when one dies his share does not pass to the survivor.

Tenants in common may have either equal or unequal shares, and one tenant may convey his share to another tenant. It is not necessary that their interests should all be created at the same time or under the same instrument.

If a property is devised to several persons without saying whether they are to be tenants in common or joint tenants, they are regarded as joint tenants.

The points of difference between joint tenants and tenants in common will be clearly seen by comparing the former article with the present.

Where deeds are deposited as security for a loan by tenants in common, the document creating the charge should be signed by all the tenants, and it is advisable for a legal mortgage to be taken.

TENDER.—There are two senses in which this term is used—

(1) A tender is an offer, generally in writing, to supply certain commodities upon terms that are specified. It is the first step in the formation of a contract, as it constitutes the offer. An advertisement, circular, or other intimation that tenders are required for the carrying out of certain work or the purchase of certain goods is nothing more than an invitation to offer, and has no legal effect. Until the tender is accepted there is no binding contract. There is no *prima facie* undertaking that the best or any offer will be accepted by the person who has invited the tenders.

(2) A tender is also an offer to perform a certain act or to pay a sum of money in discharge of an obligation.

"Tender is attempted performance; and the word is applied to attempted performances of two kinds, dissimilar in their results. It is applied to a performance of a promise to do something, and of a promise to pay something. In each case the performance is frustrated by the act of the party for whose benefit it is to take place."

With respect to tender in the case of a contract for the sale of goods, section 37 of the Act of 1893 is as follows—

"When the seller is ready and willing to deliver the goods, and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery, and also for a reasonable charge for the care and custody of the goods. Provided that nothing in this section shall affect the rights of the seller where the neglect or refusal of the buyer to take delivery amounts to a repudiation of the contract."

The effect of such a tender of performance is to discharge the vendor from all liability under the contract, and he can either maintain or successfully defend an action for breach of the contract.

Tender operates as a performance of a contract, if made strictly in accordance with the terms of the contract, but refused by the promisee. It has the effect, unless it is a tender of money, of discharging the promisor from all liability under the contract. A tender of money, however, does not extinguish the debt; but the debtor should, if the money is not accepted, and an action is commenced against him, bring the amount into court and plead the tender. If the creditor then proceeds with his action, and recovers no more than the amount tendered, he will have to pay the defendant's costs of the action. To constitute a good tender, the full amount must be actually produced, unless the creditor dispenses with the production, and offered unconditionally. It must be the current coin of the realm. (See LEGAL TENDER.) No change can be demanded. A tender in country bank notes or by cheque is good if the only objection made by the creditor is that the amount is insufficient. In such a case it is presumed that the actual production of the money which would constitute a legal tender has been dispensed with. A legal tender should be made by the debtor to the creditor, but either party may act through a duly authorised agent.

TENEMENT.—Anything that is held or is capable of being held by a tenant, whether a dwelling or landed property in general.

TENEMENT FACTORY.—A tenement factory is defined by the Factory and Workshop Act, 1901, to be a factory where mechanical power is supplied to different parts of the same building occupied by different persons for the purposes of any manufacturing process or handicraft, in such manner that those parts constitute in law separate factories. From this it will be seen that so far as regards the supply of motive-power, a tenement factory is not complete in itself, but obtains its motive-power from another part of the building. For the purpose of the provisions with regard to tenement factories, all buildings within the same close or curtilage are treated as one building. But where each owner provides his own mechanical power, two factories, though in the same building, are not tenement factories.

In the case of tenement factories, it is the owner,

whether he is one of the occupiers or not, who is liable for the observance, and punishable for the non-observance, of the provisions of the Factory and Workshops Act with regard to—

(1) The cleanliness, freedom from effluvia, overcrowding and ventilation of factories, including, so far as they relate to any engine-house, passage, or staircase, or to any room which is let to more than one tenant, the provisions with respect to lime-washing and washing of the interior of a factory; (2) the fencing of machinery, and penal compensation for neglect to fence machinery in a factory, except so far as relates to such parts of the machinery as are supplied by the occupier; (3) the notices to be affixed in a factory with respect to the period of employment, times for meals, and system of employment of children; (4) the prevention of the inhalation of dust, gas, vapour, or other impurity, so far as that provision requires the supply of pipes or other contrivances necessary for working the fan, or other means for that purpose; and (5) the affixing of an abstract of the Factory and Workshop Act, and the notices of the name and address of the inspector, of the certifying surgeon for the district, of the clock (if any) by which the period of employment and times for meals in the factory or workshop are regulated.

But any occupier may affix in his own tenement the notice with respect to the period of employment, times for meals, and system of employment of children, and thereupon that notice will, with respect to persons employed by that occupier, have effect in substitution for the corresponding notice affixed by the owner.

Similarly the provisions of the Act with regard to dangerous ways, works, plant, and machinery, and to unhealthy or dangerous factories or workshops, are enforceable in the case of tenement factories against the owner, in all respects as if the owner was substituted for the occupier.

In the case of any tenement factory or class of tenement factories used wholly or partly for the weaving of cotton cloth, the owner may be substituted for the occupier in respect of certain requirements with regard to ventilation.

Where grinding is carried on in a tenement factory not being a textile factory, the owner of the factory is responsible for the observance of the regulations contained in the third schedule of the Act, viz.—

(1) The providing and keeping in proper repair boards to fence the shafting and pulleys (locally known as drum-boards).

(2) Fixing hand-rails over the drums and keeping them in proper repair.

(3) Providing belt-guards (locally known as "scotch-men"), and keeping them in proper repair.

(4) Every floor constructed after December 31st, 1895, must be constructed so as to facilitate the removal of slush, and all necessary shoots, pits, and other conveniences must be provided for facilitating such removal.

(5) Every grinding room or hull established after December 31st, 1895, must be so constructed that for the purpose of light grinding there will be a clear space of 3 ft. at least between each pair of troughs, and for the purpose of heavy grinding there must be a clear space of 4 ft. at least between each pair of troughs and 6 ft. at least in front of each trough.

(6) The sides of all drums in every grinding room or hull must be closely fenced.

(7) Except in pursuance of a special exemption

granted by the Secretary of State, a grindstone must not be run before any fireplace, or in front of another grindstone.

(8) A grindstone erected after December 31st 1895, must not be run before any door or other entrance.

In every tenement factory where grinding or cutlery is carried on, the owner of the factory must provide at all times instantaneous communication between each of the rooms in which the work is carried on, and both the engine-room and boiler-house.

TENURE.—The name used to indicate the conditions under which land or other property is held by the person or persons who occupy and use it. The most common tenures are freehold, copyhold, and leasehold (*q.v.*).

TERM.—A period of time. It is most commonly used as the equivalent expression for the number of years or the period for which a lease or other interest in land is granted.

TERMINABLE ANNUITIES.—These are annuities granted by the Government and also by certain insurance offices for a period of years or for the life of an individual in return for a present payment of money. The rate is fixed by actuarial calculation, based upon the tables of the expectation of life (*q.v.*).

TERMINAL COST ACCOUNTS.—This is one of the classes into which cost accounts are usually divided. (See *COST ACCOUNTS*, *COSTING*). Terminal or contract cost accounts are applicable to undertakings where definite contracts are entered into, in which the cost is definite and terminating, e.g., buildings, ships.

TERM OF A BILL.—The time for which a bill of exchange is drawn and during which it is current, e.g., one month after sight, three months after date.

TERRA-COTTA.—A superior variety of brick-work, usually consisting of a mixture of potter's clay and fine colourless sand made into a paste, moulded, dried, and baked or hardened in the fire. Terra-cotta is close and smooth in texture, and is largely used for statuary and other decorative purposes. It has recently come into great favour, having been used for the underground stations of London, and for facing public buildings, such as the new Natural History Museum. There are large factories in London and in various parts of Germany.

TEXTILE.—This is the generic name for the trade of weaving which includes the operations of spinning, weaving, sewing, knitting, whether of cotton or of wool. The textile industry in Lancashire is chiefly cotton, and in Yorkshire chiefly wool.

THEFT.—(See *LARCENY*.)

THIRD CLASS PAPER.—(See *FIRST CLASS PAPER*, *SECOND CLASS PAPER*.)

THIRD OF EXCHANGE.—(See *FOREIGN BILL*.)

THIRD PARTY PROCEDURE.—This is an expression which needs but the slightest mention here, as it concerns legal practice. When an action is started between parties, it sometimes happens that some other person than the original plaintiff and defendant is under a certain liability in respect of the matter in question, and that if such person is brought into the suit litigation and the consequent expenses at a future date may be avoided. If the proper steps are taken, in accordance with the Rules of the High Court or the County Court, this can be effected.

THIRD PARTY RISKS INSURANCE.—(See INDEMNITY INSURANCE.)

THREAD.—Sewing thread consists of two or more yarns twisted together. It may be of cotton, flax, or silk. Cotton thread is made at Manchester and Glasgow, but chiefly at Paisley, which supplies half the requirements of the world. Silk thread is often called twist. Linen thread is a strong variety for sewing on boot buttons, etc., when patent fasteners are not used.

THREADNEEDLE STREET.—Writers of the money article sometimes refer to the policy of Threadneedle Street in raising or lowering rates, etc. This has reference to the Bank of England, which fronts on the thoroughfare named. Although the Bank of England has by no means a monopoly of lending money in the shape of discounting bills or making advances on Stock Exchange securities, Lombard Street, which term is used to cover the various bill brokers and banking institutions, being an important competitor, the Bank of England does more or less control the policy of the money market, and on this account the action of "Threadneedle Street" is of the utmost importance.

THREATENING LETTERS.—Every person is guilty of felony (*q v*) who (1) maliciously sends or delivers, or directly or indirectly causes to be received, knowing the contents thereof, any letter or writing threatening to kill any person; (2) sends or delivers, or directly or indirectly causes to be received, knowing the contents thereof, any letter or writing threatening to burn or destroy any house or other building, or a rick or stack, or any grain or agricultural produce in or under a building, or any shop, or to kill, maim, or wound any cattle, or (3) sends or delivers, or directly or indirectly causes to be received, knowing the contents thereof, any letter or writing demanding of any person with menaces, and without reasonable and probable cause, any property, chattel, money, valuable security, or other valuable thing. For (1) and (2) the maximum penalty is ten years' penal servitude, and for (3) penal servitude for life. (See BLACKMAIL.)

THYME.—A shrub cultivated for its aromatic properties. The two chief species are the common thyme and the lemon thyme, both of which are used in cookery. Thymol is a crystalline solid prepared from oil of thyme. It is valued in surgery as a powerful antiseptic.

TIBET.—(See CHINA.)

TICKET DAY.—This is sometimes known as "Name Day," and, as is described under the heading of SETTLEMENT, STOCK EXCHANGE, is the last day but one of the account or settlement—the day on which ultimate buyers pass tickets or names to their immediate sellers, who again pass them on to the individuals from whom they bought, until such ticket reaches the original seller. There is, perhaps, a technical distinction, in that "tickets" represent bearer bonds or warrants, whereas "names" represent registered stock, and the tickets for the latter give details of the name, address, etc., of the transferee.

TIGHT.—This word is sometimes used in connection with the money market to indicate that money is dear and cannot be easily borrowed. (See DEAR MONEY.)

TIMBER.—The chief varieties are noticed under separate headings.

TIME BARGAIN.—This is a contract to buy or to sell merchandise or stocks at a certain future

time, but at a price which is arranged at the time when the bargain is made. Thus, A agrees in December to purchase certain stock for B in January, and the price is fixed in December. This is a time bargain, and B must deliver in January. There is no doubt that transactions of this character are carried out with the hope of future advantage on one side or the other. A believes that the price will rise and B trusts that it will fall. If subsequently to the making of the bargain in December but before the time for settlement comes round A and B mutually agree to settle the matter by the payment, on one side or the other, of the difference between the price in December and that in January, this is a perfectly legal transaction. But if the agreement to pay the difference is made at the same time as the agreement, the transaction is void as being a gaming one.

TIME, COMPUTATION OF.—The variation of time in different parts of the world depends upon longitude. As the earth revolves on its axis at the rate of one degree in every four minutes, or fifteen degrees per hour, there is a difference of four minutes for every degree of longitude, or one hour for fifteen degrees. Places east of Greenwich, up to 180°, are in advance of Greenwich time, those to the west are behind it. It thus follows that places which lie close together, but on different sides of that imaginary line of 180° of longitude, differ nominally by a whole day in time.

The following table shows the real time at the principal cities of the world, calculated to the nearest minute, when it is noon at Greenwich—

Adelaide	9 14 p.m.
Aden	3 0 p.m.
Alexandria	1 59 p.m.
Amsterdam	12 20 p.m.
Athens	1 35 p.m.
Auckland	11 39 p.m.
Berlin	12 54 p.m.
Bermuda	7 41 a.m.
Berne	12 30 p.m.
Bombay	4 51 p.m.
Brisbane	10 12 p.m.
Brussels	12 17 p.m.
Buda Pesth	1 16 p.m.
Buenos Ayres	8 7 a.m.
Cairo	2 5 p.m.
Calcutta	5 53 p.m.
Cape Town	1 14 p.m.
Chicago	6 10 a.m.
Christiania	12 43 p.m.
Constantinople	1 56 p.m.
Copenhagen	12 50 p.m.
Dublin	11 35 a.m.
Edinburgh	11 47 a.m.
Florence	12 45 p.m.
Gibraltar	11 39 a.m.
Glasgow	11 43 a.m.
Havana	6 31 a.m.
Hawai (Sandwich Isles)	1 29 a.m.
Hobart	9 49 p.m.
Hong Kong	7 36 p.m.
Jerusalem	2 21 p.m.
Lisbon	11 23 a.m.
Madras	5 21 p.m.
Madrid	11 45 a.m.
Malta	12 58 p.m.
Melbourne	9 40 p.m.
Monte Video	8 15 a.m.
Moscow	2 30 p.m.
Natal	2 2 p.m.

New Orleans	6 0 a.m.
New York	7 4 a.m.
Odessa	2 2 p.m.
Paris	12 9 p.m.
Pekin	7 46 p.m.
Perth (West Australia)	7 43 p.m.
Petrograd	2 1 p.m.
Philadelphia	6 59 a.m.
Quebec	7 15 a.m.
Rio de Janeiro	9 8 a.m.
Rome	12 50 p.m.
San Francisco	3 52 a.m.
St. Johns (Newfoundland)	8 29 a.m.
Shanghai	8 5 p.m.
Singapore	6 55 p.m.
Stockholm	1 12 p.m.
Suez	2 10 p.m.
Sydney	10 5 p.m.
Tokio	9 18 p.m.
Toronto	6 42 a.m.
Valparaiso	7 14 a.m.
Vancouver	3 38 a.m.
Vienna	1 5 p.m.
Wellington	11 38 p.m.

For general purposes, however, there has been adopted, practically throughout the civilised world, a standard time, which is calculated from Greenwich, and this now rules throughout certain districts or zones—the necessities of railways having rendered such a system imperative.

Greenwich time is now used in England and Scotland, Belgium, France, Holland, Portugal, and Spain. Also in Gibraltar.

Mid-Europe time, which is one hour in advance of Greenwich time, rules in Austria, Hungary, Denmark, Germany, Italy, Switzerland, Norway, and Sweden. In Italy and France time is reckoned from 1 to 24 o'clock, and it is proposed to extend this officially to England.

Eastern Europe time, which is two hours in advance of Greenwich time, rules in Bulgaria, Greece, Montenegro, Rumania, Russia, Servia, and Turkey. This is also the time which governs Egypt and South Africa.

Proceeding eastward, the standard time recognised is as follows—

	Hours in advance of Greenwich.
Mauritius	4
India	5½
Burma	6½
Straits Settlements	7
Hong Kong, Borneo, and West Australia	8
Japan	9
South Australia	9½
Other Divisions of the Australian Commonwealth	10
New Zealand	11½

Proceeding westward, Iceland is one hour behind Greenwich time.

Owing to its great expanse, North America has five distinct times, each one hour behind the other, in the following order—St. Johns (Newfoundland) or Atlantic, New York or Eastern, Chicago or Central, Denver or Mountain, and San Francisco or Pacific, and these are respectively four, five, six, seven, and eight hours behind Greenwich time.

In order that advantage may be taken of the hours of light in the early morning various countries in Europe have introduced "*summer time*," that is, the clocks are advanced one hour on a day fixed and they continue to record one hour ahead of sun time

throughout the summer. The period in England is from April to October roughly.

TIME IMMEMORIAL.—This is an expression sometimes met with when it is desired to prove a custom of long standing. The legal phraseology runs: "The time whereof the memory of man runneth not to the contrary." In English law a right is considered to be of immemorial usage unless it can be shown that it commenced after the accession of Richard I, the 3rd September, 1189. By various statutes of prescription the proof of immemorial custom is now dispensed with in many cases, and the length of time is much curtailed.

TIME OF PAYMENT OF BILL.—Where a bill is expressed to be payable on demand, or at sight, or on presentation, or when no special time of payment is named, the bill is payable directly the demand is made, or when it is presented to the drawee or acceptor. No days of grace (*q.v.*) are allowed when a bill is payable on demand, or at sight, or on presentation.

If a bill is accepted or indorsed when it is overdue, it is deemed to be a bill payable on demand, so far as the acceptor or any indorser is concerned.

When a bill is payable at a fixed period after date or sight, or on or at a fixed period after the occurrence of a specified event which is certain to happen, though the time of happening is uncertain, the time is computed by adding three days called days of grace (*q.v.*) to the period fixed by the bill.

The provisions of the Bills of Exchange Act, 1882, as to days of grace, and illustrative examples of the manner in which calculations must be made in certain cases are set out elsewhere. (See **DAYS OF GRACE**.)

By section 92 of the Act, when the time limited for doing any act or thing is less than three days, in reckoning time non-business days are excluded.

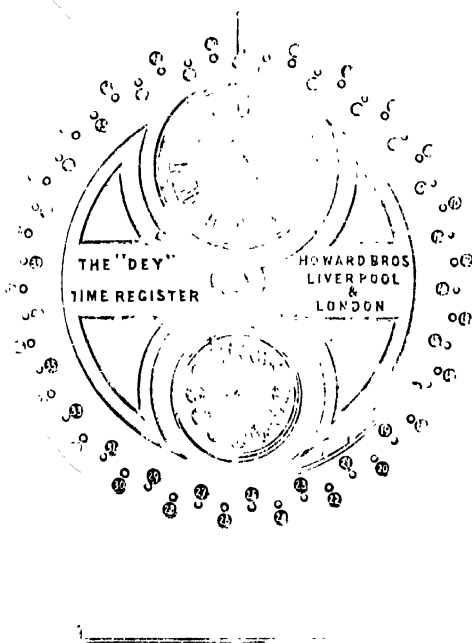
The time of payment of bills payable in foreign countries is regulated by the laws and customs of those countries. Thus, in France, a bill which is due on a Sunday is payable on the Monday, and does not take any days of grace, and the same custom is observed in most of the other continental countries.

TIME POLICY.—This is a marine insurance policy for a certain fixed period, not exceeding altogether one year and thirty days in length. The risk which is undertaken is for any loss which may happen during that time, irrespective of the voyage or voyages undertaken. In the absence of any special stipulation, there is no implied warranty of the seaworthiness of a vessel which is insured under a time policy. (See **MARINE INSURANCE**.)

TIME RECORDING. A system of time recording is undoubtedly a great aid to ensuring punctuality, especially in large factories. Now that business organisers are directing considerable attention to costing (see **COST ACCOUNTS**, **COSTING**), an efficient system of recording time is essential if accurate records of costs are to be obtained. There are many time recording machines on the market, each possessing special features suited to particular uses. Before a machine is installed, the whole question should receive very careful consideration, so that the type most suitable to the circumstances shall be selected. Each business has its own special requirements, but there are time recorders to suit every kind of business. The International

(including the Bundy, Dey, Rochester and International machines), the Gledhill-Brook, the National, the Blick and the Rusmold and Kosmold Time Recorders are well known on the English market.

The best-known style has a circular frame or dial at the front, on which the various numbers allotted to the employees are indicated. By the side of each number is a small hole, into which each employee as he arrives or leaves



presses a pointer which revolves from the centre of the dial. This operation prints on a time sheet fitted on to a drum inside the machine, the exact time of his arrival or departure. These record sheets are numbered and ruled in such a manner that the wages clerk needs only to fill in the names of the employees, the rate per hour, and the total wages payable. The regular time is printed on the wage sheet in green, and all irregular times—e.g., arriving late or leaving early—are shown in red. By altering a small indicator on the machine, the time is printed in different columns of the record sheet corresponding to the day of the week. Thus the whole of the week's time of the employees is contained on one sheet, and when the other necessary particulars are filled in by the pay-clerk, this sheet may take the place of the ordinary wage book.

In another type of time recorder, each employee records his time on a weekly time card contained in one of two racks fixed in close proximity to the recording clock. When this has been done, he transfers the card to the "In" rack or the "Out" rack, according to whether he is arriving or departing.

The manager or foreman can thus see at a glance who are at work and who are not by noting the cards in the racks.

A smaller time clock for use in offices not employing a large number of clerks is the Autograph Time Recorder. On this machine the employee signs his or her name in an aperture where the time sheet is exposed, by raising a handle. The raising of the handle also prints the time of "signing on" or "off," as the case may be, at the side of the signature.

In nearly all modern time recording systems, there is no limit to the number of registrations that can be made on the machine, but it would be inadvisable to use one machine for too many workers as a considerable congestion and loss of time would be involved in "clocking" in and out.

TIN.—A silvery-white metallic element, usually occurring in the form of tinstone or cassiterite. The ore is broken into small pieces, finely pounded, roasted in a reverberatory furnace, and gradually purified. Tin is very malleable, and can be rolled out into very thin plates, called tin foil. It undergoes little change when exposed to the air, and is, therefore, much used to coat other metals to prevent them from rusting. It is also in great demand as a lining for lead pipes and copper vessels to prevent the contamination of water and food, which might otherwise result from the gradually dissolving of these metals. When heated in air, a film of oxide forms on the surface of tin, forming tin dioxide, generally known as putty powder. Tin is especially valuable as a component of various alloys, such as gun-metal, bell-metal, speculum metal, solder, pewter, Britannia metal, and bronze, which are all separately described. An amalgam of tin and mercury is used to silver mirrors. The greater part of the world's supply of tin, which is derived from alluvial sources, now comes from Malay States, via Penang and Singapore and considerable amounts from the islands of Banka and Billiton. Tin ore also occurs in Lower Burma and the Siamese Malay States, but want of transport and labour hinders its exportation. Large deposits are being mined in northern Nigeria, at Broken Hill in New South Wales, and other places in eastern Australia, but Bolivia now ranks second only to Malaya in output. There is much tin ore in China, but the home demand takes all the production. Tinplate consists of thin sheet iron covered with a coating of metallic tin to preserve the iron from rust. It is much used for lining the tins in which meat, fruit, and other foods are preserved.

TINCAL.—The Malay name for crude borax imported from India.

TITLE, ABSTRACT OF.—(See ABSTRACT OF TITLE.)

TITLE DEEDS.—These are the documents which set out in full the right or title of a person to a piece of land. They show in whom the legal estate is vested, and the manner in which the land has been transferred from one person to another until it has been transferred to its present owner. The present owner may have obtained his title in one of several ways. Thus, he may have purchased the property, or have had it devised to him by will, or had it conveyed to him as a gift, or he may have obtained it through foreclosure of a mortgage.

The greatest interest in land which a person can have is the fee simple (*qv*). For all practical purposes this holding constitutes the possessor the absolute owner, though, legally, the true ownership

of land rests with the Crown. When a conveyance is made of such an estate, there is always a clause which runs: "to have and to hold all the said hereditaments (*naming them*) unto and to the use of the said A. B. in fee simple," or "unto and to the use of the said A. B. his heirs and assigns for ever." When it is the case of an assignment of leasehold property, the assignee has the legal estate, but the fee simple remains with the lessor. In the case of copyholds the fee simple remains in the lord of the manor.

Any person who is the possessor of an estate in fee simple can create an interest in the property less than his own. Thus, he can grant a life interest in it, or lease it, but so long as he does not transfer the fee simple the reversion (*q. v.*) remains in him.

The possession of the title deeds to an estate is obviously of the utmost importance. Some persons always keep them under their own personal control. Others deposit them for safe keeping with their solicitors or their bankers, and although a trust of this kind may be abused, through forgery or other improper means, it is very rare that such a thing happens.

The possession of title deeds is also of prime necessity when a loan is desired upon the security of the property, especially if it is an equitable mortgage (*q. v.*) that is to be created. The deeds must then show that the fee simple is really vested in the person who is raising the loan. The estate may in past years have been sold many times, and been mortgaged and reconveyed, owners may have died and bequeathed it by will, or they may have died and left no will, but whatever has been done with the property the fee simple has always been vested in someone. The deeds and documents which the owner of the fee simple deposits as showing his title should therefore, as far as they go, reveal an unbroken line of steps by which the fee simple has come to him.

Where deeds are left as security, whether of freehold, leasehold, or copyhold land, the lender must ascertain if the legal estate in the land is held by the party pledging the deeds.

Along with the deeds there is usually, though not always, an abstract of title (*q. v.*). The abstract is prepared by the vendor's solicitor, and gives, in order of date, a summary of all the deeds, wills, or other documents, and also all other particulars which are necessary to show the purchaser, or the borrower if it is a case of lending money, how the title is derived. The abstract begins with what is called the "root of title," and follows the title step by step till it reaches the vendor. When a sale is arranged it may be agreed in the contract to commence with a certain deed as the root of title, but if no special agreement is made, the purchaser has the right to require evidence of the title for the last forty years, or longer, if necessary, to find a satisfactory beginning. A title of twenty years is often accepted as sufficient. By the Vendor and Purchaser Act, 1874, recitals, statements, and descriptions of facts, matters, and parties contained in deeds, instruments, Acts of Parliament or statutory declarations, twenty years old at the date of the contract, unless and except so far as they are proved to be inaccurate, are taken to be sufficient evidence of the truth of such facts, matters, and descriptions.

All the deeds and documents which are referred to in the abstract of title may be found in the parcel handed over to the lender, but very frequently the

deeds which are abstracted will not all be obtainable. The abstract shows how the purchaser's title is derived, but not, necessarily, the deeds which are to be given to the purchaser. The purchaser may receive several deeds, for example, the conveyance to himself, the conveyance to the vendor and some deeds prior to the date when the vendor acquired the land; or the purchaser may perhaps receive only one deed, the conveyance from the vendor, and an abstract of title. The purchaser may look at the abstract and see how the land has been dealt with for forty years past, or for as long as has been agreed upon, but all the deeds and documents relating to the past transactions may for some reason or other be in the possession of other persons.

There are various reasons why the owner of a property may not have possession of certain prior deeds, *e. g.*, the seller may have retained part of the property to which the deeds relate; or they may be in the hands of a mortgagee; or the property may have been purchased from one of several joint tenants, or tenants in common, or from a remainderman; or the property may, originally, have been part of a larger estate, and no prior deeds have been handed over on a sale. Where there is a defective title or document, the contract or special conditions of sale often state the defect and preclude a purchaser from raising any objection to it, and this may, in some cases, be the explanation why a defective title has been taken.

If the purchaser, through his solicitor, is satisfied with the title, after investigation or inspection of any of the abstracted documents, he usually receives an acknowledgment, either in the conveyance or by a separate document, of his right to the production of the documents. Where a person retains possession of documents, and gives to another an acknowledgment in writing of the right of that other to production of those documents and to delivery of copies thereof, that acknowledgment (by section 9 of the Conveyancing Act, 1881) binds the documents to which it relates in the possession or under the control of the person who retains them, and in the possession or under the control of every other person having possession or control thereof from time to time, but it binds each individual possessor or person so long only as he has possession or control thereof; and every person so having possession or control from time to time will be bound specifically to perform the obligations imposed under this section (*i. e.*, sect. 9) by an acknowledgment, unless prevented from so doing by fire or other inevitable accident. The obligations imposed under this section by an acknowledgment are—

(1) To produce the documents at all reasonable times for the purpose of inspection, etc.

(2) To produce them at any trial, hearing, or examination in any Court, etc., for proving or supporting the title of the person entitled to request production.

(3) To deliver to the person entitled true copies or extracts of the documents or any of them.

The expenses of the performance of those obligations are payable by the person requesting performance. The acknowledgment does not confer any right to damages for loss or destruction of the documents.

If the person retaining possession of the documents gives an undertaking in writing for the safe custody thereof, unless prevented from so doing

by fire or other inevitable accident, and the documents are lost or destroyed, the Court may, if it thinks fit, direct an inquiry respecting the amount of damages and order payment thereof by the person liable.

There are many other points connected with title deeds of the greatest interest and importance, but these can rarely arise except in cases where the intervention of a legal adviser is an absolute necessity.

TITLE DEEDS. NOTES RE TITLE.—When title deeds are produced there must arise numerous points in connection with them, as regards the exact position of affairs. As practically no man ever purchases an estate without the intervention of a solicitor, who is bound to exercise all his skill in seeing that matters are in order, it is unnecessary to enter into all the details as to requisitions of title. The following notes, however, are worthy of notice, as being the outcome of an experienced man's careful study.

There should be an Abstract of Title (*qv*). The purchaser has the right to one unless there was a special condition in the contract to the contrary. The abstract ought to accompany the deeds, but very often it is retained by the solicitor.

The abstract should commence with the root of title. A purchaser of a freehold is entitled to a forty years' title, but he may agree to accept a shorter, or the conditions of sale may stipulate for a shorter.

In leaseholds the lease should be abstracted even if more than forty years old.

In enfranchised lands the abstract should commence with the deed of enfranchisement.

Sort the deeds in order of date.

Compare with the abstract to see that all are there.

If there are deeds on the abstract which are not deposited, there should be an acknowledgment for production and safe custody from the person who retains possession of them, either in the purchase deed, or by a separate document.

If the abstract, showing the title of the person who deposits the deeds, is a recent one, a banker may consider that, as the title has just been overhauled by a solicitor, it will be sufficient if he sees that he holds the deeds, as per the abstract, or an acknowledgment for production, and examines the last deed.

CONVEYANCE—

Is it signed and sealed by the vendor? and does the signature appear to be genuine? (If there are no covenants by the purchaser, it does not appear to be necessary for a purchaser to sign it.)

Is it witnessed? If in Yorkshire or Middlesex is it registered?

Is it correctly stamped?

Is the land conveyed to the depositor in fee simple, or to him and his heirs for ever, free from all charges and incumbrances?

Observe carefully what follows the clause "To have and to hold . . ." It may go on to say "Subject to a certain mortgage . . ."

If it does, has the mortgage been discharged and is it with the deeds? If not with the deeds, it should be asked for. It may still be a charge on the property. Or the mortgage may be with the deeds and not have been reconveyed. This should be seen to, as until a reconveyance is obtained the

legal estate is outstanding. Is the reconveyance stamped?

If there have been any mortgages since the last conveyance, have they all been discharged?

What is the consideration?

How does the amount compare with the consideration, say, forty years ago?

If more, what has caused the increase? Have houses been built?

If less, is that due to portions having been sold, or to a depreciation in the value of the property?

Are there any memoranda of sales indorsed upon the deed?

Have any sales taken place which are not indorsed upon the deed? This is a most frequent occurrence and most misleading.

Are the particulars of the property in the last deed the same as in the first abstracted deed? If not, what has caused the difference?

The last deed may show five houses, whereas the prior deeds refer to only two. Have three more been built, or the two converted into five, or have three more been purchased from another source?

If the land contained in the last deed has been obtained from several sources trace each portion separately. It is a good plan to make notes of names, dates, and quantities when trying to follow a confused title.

How is the purchaser affected by any covenants in the deed? For example, is he responsible for the making or maintenance of any roads?

Where property has passed by will and is subject to legacies, receipts for the legacies should be produced.

If the last deed is in favour, say, of the depositor's father, see copy of the testator's will. His widow may have a life interest in the property, and should in that case join in any charge. If the deceased died intestate, the widow has a life interest in one-third of the real estate. A widower has a right for life to the rents of the real estate of his deceased wife, if she died intestate and had a child by the husband and such child was capable of inheriting. (See *INTESTACY*.)

The legal estate of freeholds, on a death since January 1, 1898, vests in the legal representatives (executors or administrators) and the formal assent of those representatives to the devisee, or a conveyance from them to the devisee or to the heir at law, is necessary before the devisee or heir deals with the property.

Has succession duty been paid?

Is probate, or an office copy of the will, with the deeds?

In the case of annuities upon the property, is an annuitant is still living he should join in any charge.

Does the property form part of a settlement? For example, if Mrs. Mary Brown deposits deeds, and the last conveyance is to Mary Jones (her maiden name), it is quite possible that at her marriage the property may have been settled so that she cannot deal with it in any way. The trustees of the settlement ought strictly to keep the deeds in their possession, but this is not always done, and the mere fact that Mary Brown has the deeds does not of itself prove that she has power to deposit them as security.

If a mortgage from Jones to Brown is deposited to secure Brown's account, notice of the fact should be given to Jones, and the banker should ascertain from Jones what amount is still owing.

If a second mortgage from Jones to Brown is deposited to secure Brown's account, notice of the fact should be given to the first mortgagee as well as to Jones, the mortgagor, and the banker should ascertain from Jones what amount is still owing. In each case an acknowledgment of the notice should be obtained, if possible.

LEASEHOLDS—

In addition to the above points, so far as they apply—

What is the length of the lease, and the amount of the ground rent?

Is the rent paid up to date? The receipt should be produced. A receipt for the rent means, as a rule, that all covenants have been observed up to date, except where it is a peppercorn rent.

If the lessor's licence or consent in writing to assign or mortgage is necessary, has it been obtained? (See LEASEHOLD.)

COPYHOLD—

As the customs of manors vary so much, inquiry should be made with regard to each manor.

Has the customer been admitted, and is there a copy admittance, signed by the steward or deputy steward of the manor?

If there is merely a chain of covenants to surrender, inquiry should be made as to the admittance.

In some cases the person who is admitted is not the actual owner and merely holds in trust for the owner.

If copy admittances only are held, ascertain if the property could be dealt with without production of those documents to the steward.

What fines are payable? and are they payable upon the death of the copyholder, or upon the death of the lord of the manor, or upon both events?

A conditional surrender entered on the rolls in favour of a nominee of the bank is the most satisfactory form in which to obtain a security over copyholds. A mortgagee can at any subsequent date perfect his title by being admitted as from the date of the surrender. (See COPYHOLD.)

CUSTOMARY—

There is usually a conveyance, with the consent of the lord, and an admittance.

See if the conveyance bears a memorandum that the deed has been licensed by, or on behalf of, the lord.

Is the consent of the lord necessary before a valid mortgage can be effected over the property? (See CUSTOMARY PROPERTY.)

VALUE—

See the property and identify it with the description in the deeds.

What is its saleable value?

By whom is it occupied?

At what rent? If in own occupation inspect poor rate assessment and obtain gross estimated rental and rateable value. This can be obtained, without charge, by a ratepayer at the office of the clerk to the assessment committee.

What are the rates?

Is there any ground or other rent?

Are all houses let, and in what sort of repair?

Is the district an improving one, or the contrary?

Are there many houses vacant in the neighbourhood?

Are the houses dependent for tenants mainly upon one factory or business concern?

Is there any nuisance in the neighbourhood which may affect the value of the property?

How far is the property from a railway station?

Is the street made and taken over by the town?

An outlying property is often difficult to realise, and thus should be considered in estimating the value.

If the security consists of mines, or works, the report of a specialist is necessary.

It should always be remembered that, in the case of a security representing a large amount, there will, as a rule, be great difficulty when the security is to be realised, in finding anyone to take it up, if indeed anyone ever is found. (See VALUATION.)

INSURANCE—

Is all the insurable property insured in a good office?

Is the last premium receipt with the deeds?

It is better that the bank's name should appear in the policy.

In the case of leasehold property, does the lease stipulate that the premises must be insured in a particular company, and in the joint names of the lessor and lessee?

CHARGE—

Detail all, or at least the principal, deeds upon the memorandum of deposit, or the banker's legal mortgage.

If the document is signed in front of the schedule, it should also be signed after the schedule.

In the case of leasehold property which is to be assigned or demised to the bank as security, it should be ascertained if the licence, or consent in writing, of the lessor is necessary upon the occasion of an assignment or demise. If the licence is required, it should be obtained when a legal mortgage is taken, but such a stipulation may not apply if the deeds are deposited merely with a memorandum of deposit.

It must be stamped within thirty days. (See EQUITABLE MORTGAGE.)

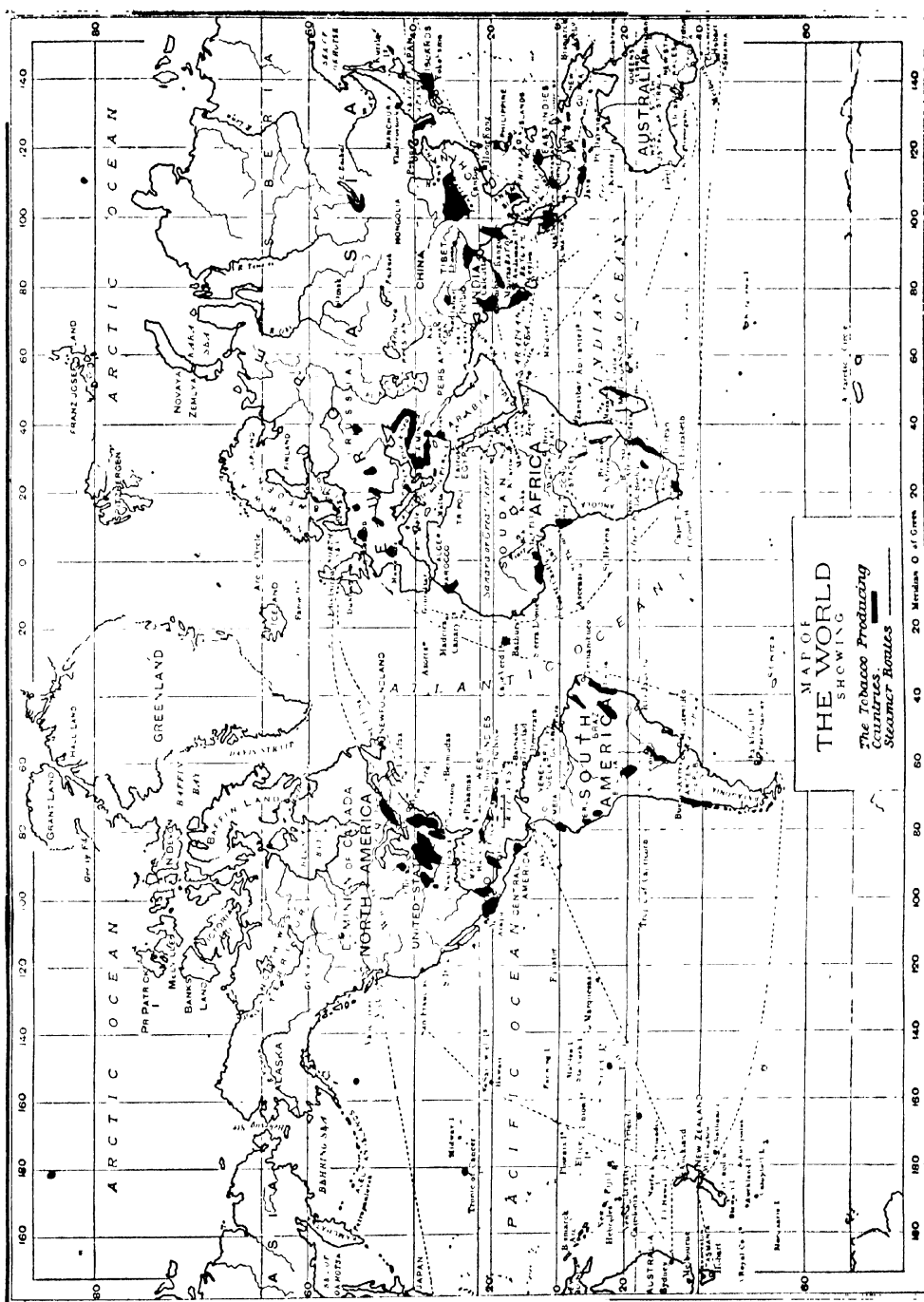
If the charge to the bank is a second mortgage, notice should be given to the first mortgagee.

If the charge is given by a company, has it been registered? (See REGISTRATION OF MORTGAGES AND CHARGES.) And has the company power to borrow and to give the charge?

T.N.T.—(See Trinitrotoluol.)

TO.—(See FOREIGN WEIGHTS AND MEASURES—JAPAN.)

TOBACCO.—The tobacco plant belongs to the genus *Nicotiana*, and is remarkable for its straight stems and broad leaves. The *Nicotiana rustica* is the species grown in Europe, and from this the tobacco of Latakia and Turkey is derived, which is used in the manufacture of the cigarettes made in Cairo and Alexandria, and hence known as Egyptian. Of the other European countries, Holland is the chief grower, being able to send exports to England besides supplying its own needs. Tobacco is grown most extensively in the United States, where South Carolina, Virginia, and Kentucky are the principal provinces engaged in its cultivation. The American variety is the *Nicotiana tabacum*, which provides a heavier kind of tobacco than the other species mentioned. The most highly-prized cigars come from Havana, in Cuba, and are manufactured from the tobacco grown in the district; but Havana boxes are frequently filled with cigars of inferior brands. Cheroots come from the Philippine Islands, principally from Manila, but the supply from this





source is decreasing. Mexican and Brazilian cigars have lately come into favour, as well as a cheaper kind made in India. Among other countries now making rapid progress in tobacco-growing are Australia, Japan, and the Congo Free State. The highly esteemed Persian variety is obtained from the species known as *Nicotiana persica*. The properties of tobacco, especially those of the volatile oil and alkaloid nicotine it contains, vary according to the climate, soil, and conditions of cultivation. The growing requires very careful and skilled attention, as it is necessary that the leaves receive all the nourishment of the plant. In due time, these are gathered and dried. The latter process varies in different parts of the world, but, generally speaking, the leaves are allowed to lie in heaps, covered with matting, for some weeks. During this period of "sweating," they are turned every day. After the process of fermentation, the leaves are sorted, pressed, and packed in barrels for exportation. The subsequent treatment varies according to the sort of tobacco required. Shag is prepared by cutting the moistened and compressed leaves into fine shreds. When the leaves are moistened with syrup and pressed into cakes, the variety known as Cavendish is obtained, while twist tobacco is made by twisting the fermented leaves, either by hand or by machinery, into the form of a rope. In manufacturing cigars, the midribs of the dried leaves are first removed, the leaves being then moistened with water or a solution of nitre, and rolled round smaller fragments into cylindrical form. Cigars are usually covered with Sumatran tobacco leaves. Cigarettes are made of various kinds of tobacco, and are frequently scented or adulterated with opium or glycerine. Snuff (*qv*) is made chiefly of the midribs of tobacco leaves, which, after fermentation, have been dried, powdered, and flavoured. Great Britain's supplies of tobacco are drawn chiefly from America, the Levant, India, Sumatra, and the Philippine Islands.

TOBAGO.—Tobago is joined with Trinidad as a united colony, being separated from the Windward Islands in 1889. It is 18 miles north-east of Trinidad, and has an area of 114 square miles and a population of about 24,000. (Chief town—*Scarborough*; population about 700. Exports—cocoa, coconuts, copra, and live-stock. (See *TRINIDAD*.)

TOKAY.—A Hungarian white liqueur wine of choice quality, named after the town where it is produced. The finest variety is known as Tokay essence, the next in quality being the Ausbruch. These wines are of excellent bouquet and luscious flavour, but owing to the limited supply, they are difficult to obtain outside Hungary, and the article offered in most European markets is either largely adulterated, or else a French or German wine, manufactured in imitation of the genuine product.

TOKEN MONEY.—Whenever coins are in circulation which have a market value less than that which they denote, they are said to be token money. Such coins are only legal tender (*qv*) to a certain amount, the exact amount being invariably fixed by statute. Thus, the standard coinage in Great Britain is of gold, and the silver and bronze coins are simply token money, *i.e.*, the value of the metal contained in them is less than the value attached to the coins by law. Silver is now only legal tender to the extent of forty shillings, and bronze to the extent of one shilling.

TOLL.—An authorised charge made by a person

or by a corporation in connection with work done or for accommodation provided. Thus, tolls are charged by dock and canal companies upon the traffic conveyed by them. Such charges are payable by the owners of the goods, and not by the owners of the vessels carrying them.

TOLU.—(See *BALSAM*.)

TOMAN.—(See *FOREIGN MONETYS—PERSIA*.)

TOMATO.—The pulpy fruit of the *Lycopersicon esculentum*, a native of South America, but now largely cultivated in Britain and in other European countries, especially in Italy. The home product is generally grown under glass, and is more delicate than the imported variety, which comes in an unripe condition, and is more fitted for pickling and for cooking purposes than for eating raw as a salad.

TOMME.—(See *FOREIGN WEIGHTS AND MEASURES—DENMARK, SWEDEN*.)

TON.—(See *FOREIGN WEIGHTS AND MEASURES—CHINA*.)

TON.—An imperial weight of 20 cwt. of 112 lbs., or 2,240 lbs. avoirdupois. In the United States and Canada a ton is equivalent to 2,000 lbs. only.

TÖNDE.—(See *FOREIGN WEIGHTS AND MEASURES—DENMARK*.)

TONGA or TONQUIN BEAN.—Also known as the Tonka Bean. It is the seed of the *Dipteria odorata*, a shrub of the leguminous order, growing in Guiana. It has a fragrant odour, and is much used by perfumers and snuff manufacturers.

TONGUES.—Among the tongues of animals used as food, the principal are ox tongues, which are largely imported from Uruguay. Australia sends sheep's tongues in both the fresh and the frozen conditions, and reindeer tongues come from Russia.

TONNAGE.—The cubical capacity of a ship, one ton being estimated at 100 cubic feet. This registered tonnage does not in any way represent the carrying capacity of the ship.

TONNAGE DUES.—A charge of so much per ton made on a ship's registered tonnage, upon entering or leaving a port, in order to maintain and renew the mooring-chains, etc., kept for general use.

TONNE.—(See *FOREIGN WEIGHTS AND MEASURES—GERMANY*.)

TONNEAU.—One thousand kilogrammes. (See *METRIC SYSTEM*.)

TONOS.—(See *FOREIGN WEIGHTS AND MEASURES—GREECE*.)

TONTINE.—This is a financial scheme, now less common than in days gone by, under which a number of persons pay a certain sum of money for which a grant of a life annuity is made to each. As the members gradually die off, the share of each of the deceased is divided amongst the remainder, and eventually the last survivor takes the whole.

TONTINE POLICY.—This is a life policy upon which there is no bonus payable in the event of the death of the policy holder, as such bonus only vests when the policy matures at the end of a specified period. Also, during that period (usually known as the tontine period) the policy has no surrender value. In the case of an ordinary endowment insurance, the bonus additions are payable in the event of the death of the assured, or when such policy matures.

TOPAZ.—A mineral consisting chiefly of silica, alumina, and a small quantity of oxide of iron. It is found in Scotland, Ireland, Cornwall, and Saxony, principally in association with tin; and is common

in other parts of both the Old and the New Worlds. In colour it is usually yellow, but pink, blue, and green varieties also occur. The transparent stones are used as gems, and the topazes most prized by jewellers come from Brazil and Siberia. The Oriental topaz is a yellow variety of corundum (*q.v.*), scarcely differing, except in colour, from the ruby and the sapphire (*q.v.*). The Grampians yield a yellow quartz much employed for the manufacture of imitation topazes.

TORT.—This is a word signifying a legal wrong which is not always of a criminal character, but which gives rise to an action independently of contract. It is derived from the Latin *torqueo*, "I twist."

Good illustrations of torts are assault, libel and slander, deceit, trespass, conversion of goods, false imprisonment, malicious prosecution, nuisance, and negligence. As is well known, assault and libel may also give rise to criminal prosecutions. The remedy supplied is generally damages, though in the case of a nuisance an order may be made to abate the same. The defences which may be set up are various, such as inevitable accident, licence on the part of the plaintiff, contributory negligence, self-defence, legal authority, etc.

Unlike the case of contract, the action provided in the case of a tort dies with either of the parties, *i.e.*, no proceedings can be taken if either the plaintiff or the defendant dies before the trial of the case. There are now certain statutory exceptions to this rule, and these are referred to in the article *ACTIO PERSONALIS MORITUR CUM PERSONA*.

When a public authority is defendant, by reason of an Act passed in 1893 proceedings must be commenced within six months from the time of the arising of the cause of action. In other civil actions founded in tort, actions for slander must be brought within two years, actions for injuries to the person (including imprisonment) within four years, and actions for all other wrongs (including libel) within six years.

TORTOISESHELL.—The horny, epidermal plates of the *Chelone imbricata*, or hawk's bill turtle, a carnivorous reptile found in the seas of tropical and sub-tropical regions. The plates can be removed from the back of the turtle without injuring the animal, but the second growth is of inferior quality. The scales are semi-transparent, beautifully mottled, and very thin, rarely exceeding $\frac{1}{2}$ in. in thickness, so that several have to be welded together for manufacturing purposes. This is achieved by means of heat. Tortoiseshell is highly prized for making combs, backs of brushes, ornaments, etc., which are much more valuable than the same articles in silver. It is also used for inlaying ornamental furniture. Real tortoiseshell is mainly imported from the East, but there are many imitations on the market.

TOTAL LOSS.—(*Marine Insurance.*) Actual total loss is defined by the Marine Insurance Act in the following words—

"Where the subject-matter insured is destroyed or so damaged as to cease to be a thing of the kind insured, or where the assured is irretrievably deprived thereof, there is an actual total loss."

Suppose a ship, when laden with cargo, founders at sea during a storm, a total loss of ship, cargo, and freight occurs. The necessary documents required by the underwriter in connection with a claim for total loss, are

(1) The protest, which is a statement of the facts of the casualty, sworn before a notary by the captain and crew should they be saved.

(2) The policy.

(3) The full set of bills of lading relating to the shipment, endorsed by the shipowner with a memorandum to the effect that the goods were actually shipped on board the lost vessel. This is essential, as very often goods are "shut out" from the vessel in which they are intended to be shipped, owing to their arriving late alongside, and are forwarded in a following ship.

(4) The invoice, as evidence that the goods were insured for a reasonable amount over and above their cost, and were not excessively over-insured. Documents 1 and 2 are required for the settlement of a total loss of ship; 1, 2, 3 and 4, for a total loss of cargo; and 1 and 2 for a total loss of freight.

In the event of a vessel sailing on a voyage and never being again heard of, after a lapse of a reasonable time she is presumed to be lost and is "posted at Lloyd's" as missing, and the underwriter pays the loss on production of the above-mentioned documents, with the exception, of course, of the protest. No amount of damage to goods which arrive at their destination in specie will entitle the assured to recover as for a total loss. For example, bales of cotton may arrive so badly damaged by fire as to be worth half the value of sound bales, but nevertheless so long as they are recognisable as bales of cotton, though very badly burned ones, the assured can only recover his loss adjusted on a particular average basis and not, as a total loss. (See *MARINE INSURANCE*.)

Should, however, boxes of bacon arrive so badly damaged by sea-water as to be merely boxes of putrefying matter which by no stretch of imagination could ever be called bacon, the assured is entitled to claim a total loss from the underwriter. In the event of goods arriving damaged at a port short of their destination and being sold there, the assured is entitled to claim a total loss, the underwriter either paying in full and taking the proceeds, or the assured taking the proceeds and the underwriter paying the difference between the proceeds and the insured value of the goods sold, this latter method of settlement being known in practice as a "salvage loss."

Constructive Total Loss. "There is a constructive total loss where the subject-matter insured is reasonably abandoned on account of its total loss appearing to be unavoidable, or because it could not be preserved from actual total loss without an expenditure which would exceed its value when the expenditure had been incurred" (*Marine Insurance Act, Sect. 60*.)

In determining whether a ship is a constructive total loss or not, the circumstances of the case must be viewed from the standpoint of the prudent uninsured owner. For example, a vessel is driven ashore during a gale and sustains more or less serious damage. The question is, "What would her owner do with her if he was uninsured?" The answer is, "He would first consider how much it would cost to get her afloat, and secondly, when afloat again, how much it would cost to repair her, and, thirdly, how the cost of floating and repairing her would compare with her value when repaired." If the cost of salving and repairing exceed the value of the ship, she is a constructive total loss.

A glance at the following figures will make this more clear—

The estimated proportion of expenses for floating and getting the vessel into a place of safety amounts to . . .	£2,000
The estimated cost of repairing the vessel amounts to . . .	£8,000
	£10,000

The value of the vessel when repaired . . . £9,500

Result: A constructive total loss

Suppose, in the case cited, the owner spent the £10,000 getting his ship off and repairing her, he would simply be throwing £500 away, as after all his trouble and expense his property would only be worth £9,500. The value of the ship when repaired is agreed between the assured and his underwriter to be the value of the vessel stated in the policy, i.e., her insured value, and this agreement is embodied in a special clause known as the "Valuation Clause" attached to most time policies on ship, which clause reads as follows—

"In ascertaining whether the vessel is a constructive total loss, the insured value shall be taken as the repaired value, and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account." The latter part of the clause was added after the decision of the House of Lords in the case of *Macbeth & Co. v. Maritime Insurance Co* (1908), which was an action brought by the owners of the s.s. *Araucania*, who had insured the vessel free of particular average, to recover for a constructive total loss, the owners' claim being based on the contention that the value of the wreck should also be taken into account. Previous to this decision, which was given in the shipowners' favour, the value of the wreck had not been admitted.

The effect such inclusion would have is shown by a comparison of the following figures—

CASE FOR OWNERS OF <i>Araucania</i>	
Value of wreck, say . . .	£1,500
Estimated cost of repairs, etc . . .	£11,000
Total . . .	£12,500
Repaired value (insured value) . . .	£12,000
Result: A constructive total loss	

UNDERWRITER'S CASE	
Estimated cost of repairs, etc . . .	£11,000
Repaired value (insured value) . . .	£12,000

Result: No claim for a constructive total loss.

With regard to a constructive total loss of goods, the prudent uninsured owner theory also serves in a measure as the test. If, for example, goods arrive at a port short of their destination in such a badly damaged state that the cost of reconditioning and forwarding them to their destination would exceed their value on arrival, there is a constructive total loss of goods.

TOT UP.—To sum up figures. The word "tot" is short for "total."

TOW.—The coarse fibre which remains in carding flax and hemp. It is used in the manufacture of bags, sheetings, yarn, and inferior paper. The home supply is supplemented by large imports from various foreign countries.

TOWAGE.—This is either the act of towing a

ship, or the payment that is made in respect of the service

TOWN CLEARING.—One of the special clearings of the London Bankers' Clearing House. Cheques of banks included in the town clearing have the letter T marked in the bottom left-hand corner. There are two town clearings each day—one in the morning and the other in the afternoon. (See CLEARING HOUSE.)

TOWN COUNCIL.—Towns which are of ancient origin were wont to derive their authority for local government either from a royal charter granted by the King, or, if their charter was lost, they claimed to govern by prescription, or what their fathers had stated as being the customary method handed down from father to son. Other ancient towns governed themselves under a special Act of Parliament passed for their special benefit. Finally, towns outside the metropolis are now generally governed by the Municipal Corporations Act, 1882. Those ancient towns which are governed by charter have, as a rule, some special privileges granted to them by the king, who rarely used the royal prerogative without getting some advantage in men or money in return. The ancient corporation of the City of London is a case in point; it possesses its charters of privilege, its special Acts of Parliament, and its ancient rights and privileges above any other city or town in the United Kingdom. It has withstood kings, nobles, and Parliaments, or it has stood by them; in almost every case it has been strong enough to exact some benefit in return for its citizens. The effect of the various charters and special statutes applying to different towns, when the same came to be examined by a Royal Commission, went to prove that there was no common rule, or common policy, or unity of management, subsisting between the various town councils. What might be good law in London was sacrilege in York. In 1835, therefore, an attempt was made to put local government upon a regular and unified basis, so that the town law of Bristol might square with the town law of Warwick.

The Act of 1835 has now merged into a later statute, but there is much in it which is worthy of analysis in this article. It is entitled "An Act to provide for the regulation of municipal corporations in England and Wales." "Divers bodies corporate at sundry times have been constituted within the cities, towns, and boroughs of England and Wales," so the statute begins, "to the intent that the same might for ever be and remain well and quietly governed." Now there must be an alteration; all such places must conform to the new statute; and such of their laws, statutes, usages, royal and other charters, grants and letters patent, which are inconsistent with, or contrary to, the statute must be repealed and annulled. Then follows a long list of boroughs which are to have a commission of the peace (a bench of borough magistrates), beginning with Aberystwith and ending with York. Next follows a list of towns which are not to have a commission of the peace, unless on petition and grant by the Crown. Arundel is the first of these and Wycombe the last. The corporate titles of these various boroughs were rarely exactly the same; the first three in the schedule will illustrate the point: "Mayor and burgesses of the town borough and liberty of Aberystwith"; "Mayor, bailiffs, and burgesses of the borough of Abingdon"; and the "Mayor, aldermen, and burgesses of the borough and parish of Barnstaple, in the county of Devon."

Corruption. The funds of many of these unreformed corporations were not used for the benefit of all the inhabitants, but "in divers cities, towns, and boroughs the common lands and public stock of such cities, towns, and boroughs, and the rents and profits thereof, have been held and applied for the particular benefit of the citizens, freemen, and burgesses, or of the widows or kindred of them, and have not been applied for public purposes." It was, therefore, enacted that no person shall be made or admitted a burgess or freeman of any borough by gift or purchase. The town clerk was required to make out a list, to be called "the freemen's roll," of all persons who, in 1835, were admitted as burgesses or freemen, after which date no person should be put upon the roll until the mayor had examined into his claim. Exclusive rights of trading were abolished, and every person who could do so was allowed by the statute to open a shop and sell whatever goods he chose.

Sheriffs. Certain cities and towns were to appoint a sheriff: The city of Oxford, the town of Berwick-upon-Tweed, the following cities which are counties in themselves—Bristol, Canterbury, Chester, Coventry, Exeter, Gloucester, Lichfield, Lincoln, Norwich, Worcester, and York—and the following towns which are counties of themselves—Carmarthen, Haverfordwest, Kingston-upon-Hull, Newcastle-upon-Tyne, Nottingham, Poole, and Southampton. Nearly every one of the old corporations, many of them insignificant, had special Acts of Parliament passed for their benefit; these Acts contained sections authorising paving, lighting, watching, and for removing nuisances, annoyances, and encroachments. All these local Acts were annulled or merged, and the Act of 1835 was the beginning of popular local government as we know it now. It substituted a universal law for all, and swept away the municipal corruption, which was the only form of local government known in the reign of William IV.

Public Health. The Public Health Act of 1875, so often referred to in these articles, extended the duties of town councils, and gave to the town council its dual form, for it grafted on to the ordinary duties of the town council those large and important duties of conserving the public health which were now beginning to interest legislators and sanitarians. The Act divided England, except the metropolis, into urban sanitary districts and rural sanitary districts. The urban sanitary district included boroughs managed by the mayor, aldermen, and burgesses, improvement Act districts, and local government districts. The various public health duties of the urban district and the rural district will be found in the articles dealing therewith. (See RURAL DISTRICT COUNCIL, URBAN DISTRICT COUNCIL.) It is sufficient here to say that a town council has the powers of an urban authority, but an urban authority has not the powers of a town council, unless it is a borough.

Modern Local Government. In 1882 a great consolidating Act was passed, entitled "An Act for consolidating (with amendments) enactments relating to municipal corporations in England and Wales." Its short title is the Municipal Corporations Act, 1882. It enacts that the name of a municipal corporation shall be "the mayor, aldermen, and burgesses of the borough of —," or "the mayor, aldermen, and citizens of the city of —." The burgess is a townsman who must be enrolled in the burgess roll. For electoral and burgess qualification see LOCAL GOVERNMENT. The borough is governed

by a council consisting of mayor, aldermen, and councillors. Each councillor shall be a fit person elected by the burgesses, he must be entitled to be enrolled as a burgess, and he may reside within 15 miles of his borough. If the borough has four wards, the councillor must be possessed of property worth £1,000, or the rateable value on which he is rated to the poor must be £30. In smaller boroughs the property test is £500, or a rating to the poor of £15 per annum. The term of office of the councillors is three years.

Aldermen. The aldermen shall be fit persons chosen by the council; they shall number one-third of the councillors. If there are sixty councillors, there must be twenty aldermen. The alderman's term of office is six years. The mayor is to be a fit person chosen from among the aldermen or councillors. The mayor may appoint a deputy. The officers of the council are: The town clerk, deputy town clerk, treasurer, and such other officials as are required.

The council elects from its members such committees as are necessary. The council must hold at least four quarterly meetings, and as many more as they think fit. The mayor presides, and he may summon a special meeting of his council whenever he chooses. The council may make by-laws for the good rule and government of the borough; two-thirds of the whole council must be present. (See BY-LAWS.) The accounts of the borough must be audited by two auditors elected by the burgesses and one appointed by the mayor. If it is desirable to divide the borough into wards, or alter the wards, the same must be undertaken by petition to the King in Council.

When a person is elected to a corporate office, he has to make a declaration that he will perform his duties properly, and that he has so much property, or is rated to the poor at so much. Holders of corporate office are the mayor, the aldermen, and the elective auditors.

Burgess Roll. The parish burgess lists of parliamentary and municipal voters are prepared by the town clerk as registration officer, who prints the list, and the printed document becomes the burgess roll.

Elections. The councillors are elected for the whole borough or for a ward of it, as the case may be. The day of election is the 1st of November. The mayor is the returning-officer for the whole borough, and an alderman is the returning-officer for a ward. The candidates are nominated in the following way: The nomination must be in writing and signed by two burgesses, and by eight other burgesses who assent. The nomination paper must reach the town clerk seven days before election day. When the election is contested, the rules of the Ballot Act apply, and the voting is secret.

Aldermen are elected on November 9th, immediately after the election of the mayor and the appointment of the sheriff, when there is one. The following acts are offences: Forging, fraudulently defacing or destroying a nomination paper, refusal to revise a parish burgess list, bribery, treating, undue influence, and personation. The penalties are: Fines, inability to hold a corporate office, or to be a justice of the peace, or a member of Parliament, or to act as overseer or guardian of the poor. A petition may be presented against the return of a member of the council, on the ground of bribery, corrupt practices, or that the person was not duly elected.

Duties of a Town Council. A municipal corporation

(town council) may purchase or hold land not exceeding 5 acres upon which may be built a town hall, council house, justices' room, police station and cells, quarter sessions house, petty sessions house, assize court-house, judge's lodgings, polling station, or any other building necessary or proper for any purpose of the borough. The council may borrow money for its building purposes, offering, as security, the land and the borough fund or borough rate. The council may lease land for a period of thirty-one years in one case, and not exceeding seventy-five years in the other. The council may convert any of its land into sites for working men's dwellings on a 999 years' lease. All sums to be borrowed and to be repaid require the sanction of the Treasury as to the course to be adopted by the town council.

If a municipal corporation possesses corporate stock, such securities can be dealt in and transferred in the way usual to corporations, companies, or private individuals. Every bridge which is a borough bridge, and not the property of the county, must be repaired, improved, or widened at the sole expense of the town council. A special rate for a special purpose may also be levied.

Borough Fund. The borough fund is made up from the following sources of revenue: Rents and profits of corporate land, interest on investments, fines for offences against the Act, and the borough rate. The payments are for: Remuneration of the mayor, recorder, stipendiary magistrate, town clerk, treasurer, clerk of the peace, clerk of the justices, and every other officer; costs of an election petition; costs of the enrolment of burgesses; the holding of municipal elections; furnishing the corporation buildings; the cost of the borough police, including all the costs incident to the punishment of offenders; sums due to the county; ward expenses; assessment expenses; and the cost of a charter of incorporation.

Borough Rate. The borough rate is levied when the borough fund is not sufficient to meet expenses. The rate may date backwards for six months. The borough rate is assessed on the annual value of the property in each parish which is rateable to the poor. The value of each assessment is to be found in the last valuation list. The council orders the overseers to pay the contribution of the parish to the borough rate out of the poor rate, or as a separate rate. The warrant for the levy of the borough rate is signed by the mayor and sealed with the corporate seal.

Justice. Where a borough has a separate court of quarter sessions and is a county borough, the county cannot assess that borough for the county rate. The quarter sessions borough must, however, pay its share towards the expenses of the county assizes. If a borough has not a separate court of quarter sessions, the county justices will sit within the borough. The mayor is a justice for the borough, and remains so for one year after he has ceased to be mayor. Where justices are created for the borough, they perform the ordinary duties of justices within the borough. In a very large borough a stipendiary magistrate may be appointed; his duties are the same as those performed by a metropolitan police magistrate. If the borough has a court of quarter sessions, the judge of it is called the recorder; he must be a barrister of five years' standing, and ranks next after the mayor. Every borough which is a county of itself, together with the city of Oxford, must appoint a sheriff on November 9th. A quarter sessions borough may

also appoint a borough coroner. In some ancient boroughs there is a borough civil court, and the recorder is usually the judge of it; it must sit at least four times a year. Every burgess of a borough, unless exempt by law, must, if summoned, serve on the grand and other juries of the borough.

Police. The watch committee of a borough is appointed to create and control the borough police. Each constable is sworn in before a justice. The watch committee must send a quarterly report of its police rules to the Secretary of State. Special constables may be sworn in for the borough in times of stress or local excitement. A watch rate or police rate may be specially levied in certain cases.

No persons are now admitted as freemen of a borough by gift or purchase, but the town clerk must keep the freemen's roll for his borough. If the inhabitants of a town or district desire to have a charter of incorporation, they must petition the King in Council. If his Majesty grants the petition, he makes the place a municipal borough, and he, by his Council, settles the following: The number of councillors, the number and boundaries of the wards, the date of retirement of the first aldermen and councillors, and the creation of the police force for the new borough.

Every person in any borough may keep any shop for the sale of lawful wares. The five boroughs of Hastings, Sandwich, Dover, Hythe, and Rye have certain special rights and duties, notably the right of the justices to grant licences for the sale of intoxicating liquor. The Vice-Chancellor of the University of Cambridge is a justice for the borough. Special rights are reserved to the universities of Oxford, Cambridge, and Durham.

London Government. It remains to be added that the ancient City of London which is a county of itself, stands outside the Municipal Corporations Act, 1882. It is governed by its own charters, Letters Patent, Acts of Parliament, and usages and customs. Greater London is governed by metropolitan borough councils, whose constitution and powers will be now summarised: The London Government Act, 1899, divided the whole of the administrative county of London, exclusive of the city, into metropolitan boroughs. Each metropolitan borough possesses a mayor, aldermen, and councillors. The council may borrow money with the sanction of the London County Council. The mayor becomes, by his office, a justice of the peace for the county of London. The rights, privileges, and duties of a metropolitan borough council are, generally speaking, the same as those of a provincial borough, and have been sufficiently described above. The county of London is governed, as are other counties, by the county council. (See LOCAL GOVERNMENT, RURAL DISTRICT COUNCIL, URBAN DISTRICT COUNCIL.)

TOWN TRAVELLER.—The person who does not go upon a journey, but who confines his business of travelling to the city or town in which his principal is established. (See COMMERCIAL TRAVELLING.)

TOYS.—Among the toys for which England is noted are locomotives, brass cannon, tin soldiers, wax dolls, boats, rocking-horses, and tops, which are manufactured in Birmingham, London, Gloucester, and other towns. Great numbers of toys are made in Germany, where Nuremberg is the chief centre of production for wooden toys. Various other parts of Germany are engaged in toy-making, e.g., Saxony, Hesse-Nassau, and Wurtemberg.

France is another great exporter of toys, such as cheap jewellery, balloons, and mechanical playthings, which are made chiefly in Paris. Switzerland and the Tyrol send wood carvings of every sort, including bears, chalets, etc.; and toys are now manufactured largely in the United States.

TRADE.—This is the name generally applied to the buying, the selling, and the exchanging of commodities, bills, money, and the like. Trade is either wholesale or retail. The former consists in supplying goods, etc., in more or less large quantities to merchants and dealers, whilst the latter consists in supplying private consumers.

Adam Smith divides the wholesale trade of a country into three different kinds—

(1) The home trade, which is engaged in purchasing in one part and selling in another part of the same country the produce of the industry of the country, and it comprehends both the inland and the coasting trade, or that which is carried on both by land and by sea.

(2) The foreign trade, which consists in the purchase of goods, etc., made in a foreign country for home consumption, and which goods are exchanged for the products of the importing country.

(3) The carrying trade, which is engaged in the transfer of goods from one country to another.

All matters connected with trade in various forms are treated of under separate headings.

TRADE ASSOCIATIONS.—(See TRUSTS AND TRADE ASSOCIATIONS.)

TRADE BILL.—When a bill is drawn in the ordinary course of trade in payment for goods, services rendered, etc., *i.e.*, when there is really value given for it, it is often spoken of as a trade bill in order to distinguish it from an accommodation bill (*qv*), which is one given without any value being received.

TRADE, BOARD OF.—(See BOARD OF TRADE.)

TRADE DISPUTES ACT.—This Act was passed in 1906, primarily in consequence of the decision in the Taft Vale case in 1901, by which it was held that a trade union could be sued for acts done which would make a private person amenable to the law. It was obvious to the unions that such a state of things might possibly result in a great loss to their funds. The controversial portions of the Act are not referred to, especially that part which deals with picketing, and it will be sufficient, in the light of the statement already made, to quote section 4, which is as follows—

“An action against a trade union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade unions in respect of any tortious act alleged to have been committed by or on behalf of the trade union, shall not be entertained by any court.”

TRADE ETHICS.—The essence of ethics is to lay down the basis of right conduct; it seeks to show what *ought* to be done in order to satisfy the demands, not of profit or expediency, but of what is roughly called “righteousness.” And ethical forces are among those of which the economist has to take account. The trader, indeed, who is the economist in practice, is constantly concerned with questions regarding the justness of dealings. The British trader has a reputation for upright and honourable dealing; from higher motives than “honesty is the best policy,” he hesitates to take advantage of a weaker bargainer, he will not where

an earnest attempt has been made to fulfil a contract exact his bond to the uttermost farthing, and without the compulsion of law he scrupulously discharges his obligations. That any obligations are *legally* binding rarely enters into his consideration. The law can, in fact, only limp painfully after the usages of the mercantile community. It can punish the grosser kinds of fraud; but hundreds of minor matters it must perforce leave to the probity of the individual dealer. Sales and purchases are made on an enormous scale daily in the course of business without any of the parties ever exchanging a written document. Yet the repudiation of a bargain is never imagined. This character for fair dealing is one of his assets with which the British trader can ill dispense. It enables him to maintain his ground against competitors possibly more energetic and enterprising but less reliable. “There are,” Mr. Mill tells us, “countries in Europe, of first-rate industrial capabilities, where the most serious impediment to conducting business concerns on a large scale, is the rarity of persons who are supposed fit to be trusted with the receipt and expenditure of large sums of money. There are nations whose commodities are looked shyly upon by merchants, because they cannot depend on finding the quality of the article conformable to that of the sample.” Such short-sighted frauds are little prevalent among us, and they always bring their appropriate punishment in a cessation of the particular trade.

True commerce is for the advantage of both parties engaged in it, not merely of one. Trade consists in supplying someone with what we can get more easily than he can, in exchange for that which he, on his side, can get more easily than we can. Both parties should benefit, not one be “bested” or “done” by the superior cunning of the other. *Caveat emptor*, “let the buyer take the risk,” may be the legal view of trading operations, but in practice the public run scant risk when they take the dealer’s word.

The trader’s work in the world is to put things where they are wanted, to foresee demands and to provide the means of supplying these demands. Just as all exchange originated in mutual gifts, so even now every good exchange is also a good gift; “it blesses him that gives and him that takes.” For his services in anticipating demand and taking risks on his shoulders the trader deserves his reward as much as any other who serves the community. But he abrogates his true function if he seeks profit by force or fraud, if his interests in the stock market make him neglect the interests of his property, and if by manipulating contracts he produces a “corner” likely in the long run to harm both producers and consumers. His mission is to provide for the community, not to pillage it.

What, then, are we to say of “cutting prices” so as to ruin a competitor; what of the rate reductions which oblige the small road to part with its interest to “railway kings”; of the relentless and crushing competition, the boycotting and intimidation, with which the great Trusts stamp out opposition? It would almost seem that business probity is a virtue which can hardly bear transplantation to another country. And when a monopoly has been obtained, or when from the nature of the case a monopoly is inevitable, which of the two alternative methods of making a profit ought to be adopted? Shall prices be put up, or shall a large output with its attendant economies be caused by a lowering of

prices? The latter is probably the more effective as well as the juster method. As Mr. Gladstone said: "A financial experience which is long and wide, has profoundly convinced me that, as a rule, the state or individual or company thrives best which dives deepest down into the mass of the community, and adapts its arrangements to the wants of the greatest number."

We may, in this matter at all events, sum up in Ruskin's words: "Two main points the merchant has in his providing function to maintain: first, his engagements (faithfulness to engagements being the real root of all possibilities in commerce), and, secondly, the perfectness and purity of the thing provided, so that, rather than fail in any engagement, or consent to any deterioration, adulteration, or unjust and exorbitant price of that which he provides, he is bound to meet fearlessly any form of distress, poverty, or labour, which may, through maintenance of these points, come upon him. Again: in his office as governor of the men employed by him, the merchant or manufacturer is invested with a distinctly paternal authority and responsibility."

And we shall agree with this great writer that: "Any given accumulation of commercial wealth may be indicative, on the one hand, of faithful industries, progressive energies, and productive ingenuities: or, on the other, it may be indicative of mortal luxury, merciless tyranny, ruinous chicane." Stable and honourable trade can consist only with the first class of wealth.

TRADE LIBEL.—This is not an altogether fortunate expression, but it is the name given to statements which are made by one person in disparagement of the goods manufactured and sold by another person in consequence of which the latter suffers special damage.

A great text-book writer thus states concisely the law upon the subject: "Not all such words (i.e., words which disparage) are actionable. A man may always puff his own goods. He may even name his rivals in the trade, compare his goods with theirs, and assert that his own goods are better than theirs, either generally or in some particular respect. No action will lie for such expressions of opinion so long as the defendant asserts no fact about his rivals' goods. But if a man, after lauding his own goods and expressing his opinion that they are superior to the goods manufactured by others, goes on to make assertions of fact about his rivals' goods, which he cannot prove to be true, such disparagement will give rise to an action on the case, provided the words be published without just cause or occasion, and special damage ensue."

"To give instances. Any trader may say: 'My goods are the best in the market; they are far superior to A's.' And no action will lie for such words, even though they be written or spoken maliciously and cause special damage to A. But if he asserts without just cause that 'A's food for infants contains large quantities of starch,' or 'There is opium in B's soothing syrup,' when there is no starch or opium in either, and damage follows, both A and B have a good cause of action on the case."

Of course if the words used go on to defame the plaintiff personally or in the way of his trade, there will be the ordinary action for libel or slander, as the case may be, open to him. (See DEFAMATION.)

If the words used are capable of being construed

as an actionable disparagement of the plaintiff's goods, the plaintiff will have to prove (a) that the statements complained of are untrue; (b) that the words were used maliciously, i.e., without just cause or excuse; and (c) that special damage has arisen thereby. The remedy accorded will take the form of damages, and, in certain cases, an injunction. (See SLANDER OF TITLE.)

TRADE MARK.—A trade mark may be defined as a particular mark, stamp, or device, affixed or attached to manufactured goods, indicating to the public generally that the goods have been manufactured or otherwise dealt with by the person or persons who have affixed or attached the mark. To quote the language of a great judicial authority: "A trade mark means the mark under which a particular individual trades, and which indicates the goods to be his goods—either goods manufactured by him, or goods selected by him, or goods which, in some way or other, pass through his hands in the course of trade. It is a mode of distinguishing goods which have been, in some way or other, dealt with by A B, the person who owns the trade mark."

At common law there was no property in a trade mark. But where a person had long been in the habit of using a particular mark or name, he could prevent any other person from fraudulently making use of the same or a similar mark or name to pass off the latter's goods as though they were the goods of the former.

Registration was first established by the Trade Marks Registration Act, 1875. This Act, together with various amending Acts, is now repealed, and the law as to the Trade Marks was consolidated and amended by the Trade Marks Act, 1905 (5 Edw. VII. c. 15). The law as to trade marks is now contained in the Trade Marks Acts, 1905-1919, and the rules made thereunder by the Board of Trade.

A trade mark must consist of or contain one at least of the following essential particulars:—

- (a) The name of a company, individual, or firm represented in a special or particular manner.
- (b) The signature of the applicant for registration or some predecessor in his business.
- (c) An invented word or invented words.
- (d) A word or words having no direct reference to the character or the quality of the goods, and not being according to its ordinary signification a geographical name or a surname.
- (e) Any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the above paragraphs—(a), (b), (c), and (d)—shall not, except by order of the Board of Trade, or the Court, be deemed a distinctive mark.

Under the Trade Marks Act, 1910, where an article is manufactured under a patent and a word trade mark registered under the Act of 1905 is the only practicable name for the article, all rights to the exclusive use of the name so registered cease with the expiration of the patent. Further, where the name sought to be registered is the only practicable name or description of a single chemical element or compound (as distinct from mixture), registration will be refused except where the word is used in conjunction with the proprietor's mark denoting the brand and it is not the proprietor's intention to reserve the name to himself. Any such chemical name already registered may remain on the register until 23rd December, 1923.

The majority of the cases upon the validity of a name, etc., as the subject of a trade mark, have turned upon the third and fourth of these particulars. At the present day many of the misspelt words which one sees displayed on advertising hoardings as trade marks are incapable of registration.

Registration is effected by application, in the prescribed form, to the registrar at the Patent Office. The application must be accompanied by five representations of the trade mark, and a statement of the particular class of goods in connection with which the applicant desires that it should be registered. The application is then advertised by the registrar, and any person may within two months give notice of opposition to the registration, on the ground either that the trade mark is not a proper subject for registration, or that it so closely resembles a mark already registered that it is calculated to deceive. If the applicant does not, after notice of the opposition, proceed with his claim for registration, he will be presumed to have abandoned it. The registrar may refuse to register a trade mark if its use would, in his opinion, be contrary to law or morality.

Just as in the case of patents, it is advisable that a person who is desirous of registering a trade mark should secure the services of a person who is an expert in such matters. The technicalities are too great for the average layman.

As soon as a trade mark is registered, the proprietor has a *prima facie* right to its exclusive use. Registration is valid for fourteen years from the date of the application, and can be renewed every fourteen years. The fees payable upon application and registration are fixed by the Board of Trade.

The register of trade marks is kept at the Patent Office, and contains particulars similar to those entered in the register of patents.

A registered trade mark can be assigned, but its assignment can only take place together with the assignment of the goodwill of the business with which the trade mark is connected. Apart from the goodwill it has no existence, so that if the goodwill is determined the trade mark disappears with it. When a series of trade marks have been registered, they are only assignable as a whole.

By the Merchandise Marks Acts, which was passed in 1887, and amended by an Act of 1891, it is an offence, punishable criminally, for any person to forge or falsely to apply a registered trade mark, or a false trade description, to goods. If the goods of a foreign manufacturer are imported into this country, and bear the name or mark of any manufacturer, dealer, or trader in the United Kingdom, they must also bear a clear indication of the name of the country in which they have been produced.

TRADE NAME.—(See **TRADE MARK**)

TRADE ORGANISATIONS.—These are associations of merchants and manufacturers engaged in a particular trade. Almost all such associations are occasionally placed in a position to represent the interests of their members, and hence are able to perform a useful service. For example, trade organisations whose members are interested in the export trade may achieve their objects in a variety of ways, such as the petitioning of the local authority or government, the placing of information at the disposal of their members by means of periodicals, or lectures on matters connected with the export trade, or by stimulating interest through the

establishment of sample rooms, or the holding of exhibitions. Such organisations in this country exercise a great influence on the development of trade by the establishment of general conditions of business, and the adoption of uniformity in the types of contract. (See **CHAMBER OF COMMERCE**.)

TRADE PAYMENTS BOOK.—This is a subsidiary book of account often found in use in large trading concerns. It is used to record payments made to creditors for goods supplied or value received in respect of the trading or manufacturing operations of the business. Such payments would be transferred in periodical totals to the general cash book.

TRADE PRICE.—The market price of goods less a wholesale discount allowed to retailers who have to sell again.

TRADE PROTECTION SOCIETIES.—These are associations which are formed for the purpose of safeguarding the interests of those who are engaged in trade or in financial matters generally, by giving information as to the stability or otherwise of individuals or companies with whom a person proposes to have dealings. Thus, A is about to enter into business relations with B, of whom he knows practically nothing. Before doing anything, however, he puts an inquiry through one of these societies, and obtains all the private information he possibly can as to B's position. They exist in all large towns, and some of the societies are exceedingly well known.

TRADE, STATE REGULATION OF.—(See **STATE REGULATION OF TRADE**.)

TRADE RIGHTS.—This term designates those proprietary rights which, apart from brands and trade marks, belong exclusively to the person or the firm who has built up an established trade or business. Such, for instance, is a trade name, or the name of a place of business, which if assumed by another person would be likely to take away business by misleading the public, and so divert business from the original proprietor.

TRADE ROUTES.—In all ages, water has played its part in providing trade routes. The earliest civilisations developed in fertile river valleys, using the navigable rivers as means of transport; later, the great inland seas, notably the Mediterranean, provided means of communication, and to-day the oceans are utilised as free waterways by all the great trading nations.

As to air routes, little can be said at present. A small proportion of the manufacturing firms, with a firm belief in the future of aviation as a means of transport, are organising aerial services in various parts of the world; but at present the only really businesslike aerial service in the world, flying daily, is between London and Paris.

The world's trade on the basis of distance divides naturally into land and sea traffic; land traffic is pre-eminently short-distance traffic, whilst that of the oceans is mainly long-distance traffic. The ocean is the international highway, and its carrying trade is essentially an international one; no nation can claim more than 3 miles from its own coasts—beyond that the ocean is free to all. Land routes must, in many cases, cross international boundaries, and lands are under the jurisdiction of a State or States.

Again, the ocean furnishes the cheapest of all modes of transportation; roads have to be constructed, railways built, and both roads and railways have to be maintained; whereas, the ocean

provides a natural way subject to no conditions of upkeep.

It must be borne in mind that, though the foreign trade of nations is generally of very great extent, yet in all the leading nations it is of secondary importance to the domestic trade. Even in the United Kingdom, with her insular position and high state of industrialism, the domestic trade is approximately double that of the foreign trade; and in the United States the foreign trade is only about 12 per cent. of the total trade.

Carriage of goods on land, in the highly civilised countries, is now chiefly by rail; roads, though still important, and likely to be more so in the future, do not, at the present time, figure prominently in land transit. A study of the existing railways of the world shows that the relief of the land exercises the chief control over their direction; river-valleys are used, high ground is frequently avoided by traversing the coastal plains, detours are made to avoid heights and steep gradients, and tunnels are made where passes are not available. The productivity of a region is also an important determining factor, not only in the direction taken by the railway, but also in the freight rates charged.

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Lakes. An excellent example of a lake route is found in North America. The Great Lakes of North America, five in number, with the St. Lawrence River, and supplemented by a number of short canals, form a system of internal navigation not rivalled in any other continent. The waterway reaches inland 2,000 miles from the sea, and deep-draught ocean steamers can be accommodated at Montreal. Unfortunately, all the lake ports are blocked with lake-shore ice from about the first week in December to the fourth week in April, and navigation then becomes impossible. Montreal is only a summer port; the winter ports are Halifax, St. Johns, and the United States Atlantic ports. The importance of the lakes route may be gauged from the fact that in some years 40 per cent. of the freight of the inland and coast waterways of the United States is carried on the Great Lakes and the St. Lawrence River.

Rivers. Several factors determine whether rivers can be used as trade routes; among these may be mentioned the productivity of the regions through which they flow, convenient depth of water, freedom from ice, and absence of bars at their mouths. Russia is well furnished with rivers, but owing to the fact that many of the rivers are ice-bound for a great part of the winter, and open out into seas frozen for some months in the year, they are rendered useless for commerce in the winter, and

even during the rest of the year the freight carried on them is small, owing to a sparse population and regions comparatively unproductive at the present time. An excellent riverway is provided by the Amazon in South America; this river is navigable for ocean steamers for 2,300 miles, from its mouth to Iquitos. There is a movement now to improve rivers as waterways; probably the future may see the United States complete a deep waterway from the Great Lakes to the Gulf of Mexico.

Canals. Canals as trade routes have lost much of their importance in inland navigation, but their revival in the future is not impossible. The great ship canals of the world are mainly isthmian canals, and have been made to shorten trade routes.

The Suez Canal, completed in 1869, runs from Port Said on the Mediterranean to Suez on the Red Sea, and passes through Lake Menzaleh, Lake Timsah, and the Bitter Lakes. It is about 100 miles in length, and the depth is sufficient for vessels drawing up to 30 feet. On account of the dues charged, it is only used by the steamers carrying mails and cargoes necessitating quick transit. Vessels from England to Australia using the Suez route instead of the Cape route save 1,000 miles.

The Panama Canal, which was made available for commercial shipping in 1914, has been cut across the narrow isthmus of Panama in Central America from Colon on the Atlantic to Panama on the Pacific coast. The minimum depth of the canal is 41 ft., and the total length about 50 miles. It is bound to have far-reaching effects on the trade of the east and the west of the United States, and, of course, shortens several trade routes. Vessels are towed through the locks by electric motors, no vessel being allowed to pass through under its own steam. The whole passage of the canal takes 10 hours.

The Kiel Canal is cut through the peninsula of Schleswig-Holstein, and joins Kiel on the Baltic to Brunsbüttel, near the mouth of the Elbe; it is 61 miles long, and has a depth of 29½ ft. It serves to connect Germany's Baltic ports with her important North Sea ports, and saves about 240 miles from English ports south of the Tyne to Baltic ports. Under the peace treaty, the Kiel canal is to remain free and open to vessels of commerce and of war of all nations at peace with Germany, on terms of entire equality. Charges are to be limited to those necessary to the upkeep of the canal, which is to be maintained by Germany.

The Manchester Ship Canal from Eastham to Manchester has made an inland city into a port, and enables cargoes destined for Manchester to reach there without breaking bulk. Its length is 35½ miles and its depth 28 ft.

The Corinth Canal, 4 miles long, cut through the Isthmus of Corinth, connects the Gulf of Corinth with the Gulf of Ægina, and shortens the voyage between the Ionian and Ægean Seas.

The Georgian Bay Canal, recently constructed, is essentially a river and lake construction scheme, and utilises natural waterways, which fortunately exist in an almost continuous line from Georgian Bay on Lake Huron to Montreal, the most inland and most important of Canadian ocean ports. It follows the River Ottawa from Montreal to near Lake Nipissing, and then through that lake to Georgian Bay.

Canals of minor importance are the Scotch *Caledonian Canal* cut through Glenmore, mainly used by tourist steamers and the Scotch fishing

fleets; the *Criman Canal* cut through the Mull of Kintyre, saving the long journey round the Mull of Kintyre; and the *Gotå Canal*, from Göteborg (Gothenburg) to Söderköping, utilising Lakes Wener and Wetter.

Trade Centres. Centres develop often naturally, but sometimes artificially on trade routes, where the buying and selling of goods are carried on, and where goods are collected and distributed. The world's great cities are great trading centres. Trade centres develop where routes converge, as at London and Chicago; at the end of a route, as Liverpool, Glasgow, and New York, at the head of navigation, as Montreal; at places which have attractions for trade, as Birmingham; and at places which formerly rose to importance owing to geographical advantages, but which now exist by geographical inertia, as Bristol, which is artificially aided by the docks at Avonmouth.

Ocean Trade Routes. The use of steam has more than doubled the ocean routes. Sailing vessels must take advantage of winds, weather, currents, and tides, and have often to make wide detours; while the steamer, desiring to save time and fuel, sails as nearly as possible in straight lines; hence there are two distinct sets of routes on the ocean—the sailing routes and the steamer routes.

Ocean steamships fall into two main classes, liners and tramps. Liners consist of vessels belonging to a regular line, plying on the same route voyage after voyage, and having more or less regular times of sailing. Tramps have neither regular routes nor times of sailing; they go from port to port seeking trade, and usually for a single voyage at a time. The tramp is practically a necessity, for many products are only available in large quantities at certain seasons of the year. If much weight can be placed on modern factors of trade, it would seem that sailing vessels will decline still more in the future. Special commodities have been claimed for sailing vessels, such as the nitrate of soda, the timber, and the grain of Western America; but shipments by steam of these products have been made during the last few years; the sailing ship's only hold on the future seems to be in some irregular trade that cannot be organised.

The greatest ocean trade route is that of the *North Atlantic*, whose European focus may be said to lie in the English Channel, while New York Bay may be considered to be its main American focus. The chief European termini are Liverpool, Glasgow, Southampton, London, Hamburg, Bremen, Amsterdam, and Havre, and the American termini are Montreal and Quebec (in the summer only), Halifax, St. Johns, New York, Boston, Philadelphia, Portland (Maine), Baltimore, Wilmington, Charleston, Savannah, Galveston, New Orleans, and Mobile. The fastest and most commodious of ocean liners ply on this route, and special mention may be made of "the greyhounds of the Atlantic" which sail between Liverpool and New York. The trade is mainly an exchange of the manufactured goods of Western Europe for the food stuffs, timber, and raw materials for manufacture of North America.

Next to the North Atlantic in importance is the *Mediterranean-Asiatic route* through the Straits of Gibraltar and the Suez Canal, and around the continent of Asia to Japan. This route is the creation of the Suez Canal. It may be said to have double termini in the Atlantic in the ports of the east of the United States and those of Western Europe. In the Mediterranean it has many feeders coming

chiefly from Barcelona, Marseilles, Genoa, Naples, Venice, Trieste, Odessa, and Alexandria. Passing through the Suez Canal and down the Red Sea to Aden, the main line continues to Ceylon (Colombo) and Singapore; a branch, however, goes to Bombay. At Colombo, vessels for Madras, Calcutta, and Burmah turn northwards into the Bay of Bengal, and the Australian mail steamers turn southward across the Indian Ocean. The routes diverge again at Singapore, a branch goes to Java and East Australia, but the main route proceeds to Hong Kong, Shanghai, and Yokohama. Southern and Eastern Asia exchange wheat, wool, raw cotton, silk, tea, spices, rice, timber, coffee, rubber, tin, sugar, and tobacco for the cottons, hardware, railway plant, machinery, and metal manufactures of Europe and the United States.

The South African Trunk Route sweeps boldly along the West African coast to Capetown; two streams of traffic unite at or near the Cape Verde Islands—one from the ports of Western Europe and the other from the Atlantic and Gulf ports of the United States. Vessels in the East African trade stop at Port Elizabeth, East London, and Delagoa Bay; and a few continue to Mombasa and Zanzibar. All freight steamers from the United States and Europe use this route to Australia instead of the Suez route, for though European vessels would save about 1,000 miles by going through the Suez Canal, yet the canal tolls are so high as to make it cheaper for freight vessels to take the longer Cape route. From the ports of the United States to Australia, the Suez Canal route is practically as long as the Cape of Good Hope route. The more important steamship lines steam directly from South Africa to Adelaide (South Australia), Melbourne (Victoria), and Sydney (New South Wales), while a few continue to Brisbane (Queensland). The less important lines call at Freemantle (West Australia), and afterwards run direct thence to New Zealand, or call at Melbourne (Victoria), or Hobart (Tasmania). Vessels engaged in trade with India and the East, after calling at the South African ports and Mauritius, steam north-east to Colombo, and join the Asiatic Trunk route. The trade conducted is one of textiles, cotton and woollen clothing, machinery, and railway plant from the Atlantic centres for the wool, metals (gold, silver, copper, and tin), meat, fruits, cereals, wine, timber, and gums of Australasia.

The South American Trunk Route, corresponding to the South African Australasian route, is the one round South America connecting the Atlantic ports of America and Europe with the western ports of America; it is much affected by the Panama route. The two streams of traffic feeding this route unite off Cape St. Roque. Vessels call at Rio de Janeiro and Santos for the coffee of Brazil, and at the Plate ports for grain and animal products. Ships engaged in the western trade only, call at the eastern ports for coal, and do a coasting trade along the West coast, especially between Valdivia and Guayaquil. Vessels engaged in the New Zealand trade, returning loaded to Europe, swell the traffic at the Straits of Magellan. The trade conducted with the ports of Western America is an exchange of timber, fruit, wheat, guano, coffee, cocoa, rubber, wool, and metals for textiles, clothing, and machinery.

The Gulf of Mexico and the Caribbean Sea have been aptly called the "American Mediterranean." There are several outlets to the Atlantic: (1) The Florida Strait between Florida and Cuba; (2) the

provides a natural way subject to no conditions of upkeep.

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one branch running through Manchuria to Port Arthur, and Talienwan on the Gulf of Pechili, and on to Peking, and the other branch running to Vladivostok. This line has already had the effect of increasing the population and the domestic industries of Siberia, but the probabilities are that this line will never pay for its construction, at least as regards trade. For the further development of the mineral and agricultural resources of Siberia and Manchuria, branch lines from the main route will be a necessity in the future. The disadvantage of the route is that the harbours of both its eastern and western terminals are ice-bound for some weeks in the winter.

The chief railways of Canada are the *Canadian Pacific*, the *Grand Trunk*, the *Canadian Northern*, the *Inter-colonial*, the *National Transcontinental*, and the *Grand Trunk Pacific*.

The *Inter-colonial Railway* joins Halifax and St. Johns, the winter ports, to Montreal, the summer port and eastern terminus of the Canadian Pacific Railway, which provides the main route to the West. From Montreal, the route follows the Ottawa River, then through a forest region to Sudbury, and on to the lake ports, Port Arthur and Fort William, terminal points for the grain traffic of the Canadian West. West to Winnipeg, the great market for the grain, the line traverses wheat-growing regions, and still further west through Brandon, Regina, Medicine Hat, and Calgary, wheat-growing and pastoral regions are traversed. The Rockies are crossed by the Kicking Horse Pass, and the line runs through Kamloops and Yale to Vancouver, its western terminus. The total length of the line from Montreal to Vancouver is 2,908 miles. Ocean steamships ply from both termini, and the line provides a short route from Europe to the Far East. The Canadian North-West owes much of its prosperity to this line.

The *Grand Trunk Railway* forms a continuous line through the provinces of Ontario and Quebec. The eastern extremities of the line are Quebec and Portland, Maine, U.S.A., and it extends westward to Detroit and Chicago.

The *Canadian Northern*, whose main line extends from Port Arthur through Winnipeg to Edmonton, is expected to connect and extend its various sections, and so provide a third trans-continental line in the near future.

The *Grand Trunk Pacific Railway*, completed in 1914, takes a more northerly route than the Canadian Pacific Railway in order to open up new country. The chief places on the line, which runs from Quebec, are Winnipeg, Edmonton, the Yellowhead Pass, and Prince Rupert on the Pacific coast. This latter town became very important with the opening of the Panama Canal.

The *Northern Trans-Continental Railways of the United States* are the Great Northern and the Northern Pacific systems, which connect St. Paul and the Lake Superior ports with Seattle, Portland, and Tacoma on the west; and the St. Paul, which connects St. Paul, Chicago, and Milwaukee with the Puget Sound ports. The west-bound traffic on these lines is largely flour and manufactured goods, and the east-bound traffic Oriental goods, lumber, minerals, and fruit.

The *Southern Trans-Continental Railways* include the Southern Pacific Railway from New Orleans and Galveston to Los Angeles and San Francisco; the Union-Southern Pacific Railway from Omaha and Kansas City through Denver and Ogden to San Francisco; the Oregon Short Line and the San

Pedro both starting from Salt Lake City, and running to Portland and Los Angeles respectively; and the Topeka and Santa Fé system, which goes by New Mexico and Arizona to southern California.

The principal Eastern Railways of the United States are the New York Central and Hudson River Railroad connecting New York with the Lake ports, Buffalo, Toledo, Cleveland, and Chicago; the Pennsylvania Railroad connecting Chicago, Cincinnati, and St. Louis; the New York, Lake Erie, and Western Railway connecting New York with the Lake port, Buffalo; and the Baltimore and Ohio connecting Baltimore with Cincinnati, St. Louis, Chicago, and New York. The traffic on these lines is very heavy, a great portion of the exports and imports of the United States being conveyed on them.

Europe is well provided with railways, and there is excellent communication between the East and the West, and the North and the South. Among important routes running west to east are the *Northern Express Route* from Paris, through Berlin to Petrograd, and thence by the Trans-Siberian Railway to Vladivostok and Port Arthur; and the *Orient Express Route* from Paris through Cologne, Munich, Vienna, Buda-Pesth, and Belgrade to Constantinople. Important north to south lines are the Calais, Paris, Lyons, and Marseilles route; the Paris, Dijon, Maçon, Mouri, Cenis tunnel, Turin, Brindisi route (both of these routes shorten the journey from England to India and the Far East by the Suez route); and the various routes through Holland, Germany, Switzerland, and the Simplon and St. Gotthard tunnels to Italy.

An interesting trade route of the future will be the *Bagdad Railway*. The project is to extend the Anatolian Railroad across Asiatic Turkey from the Bosphorus to the Persian Gulf. When completed, the line will provide an almost unbroken rail route from Western Europe to Southern Asia, and will probably revive to some extent the former prosperity of the Mesopotamian Valley.

It is not probable that the *Cape to Cairo Railway*, which is partly constructed, will ever have much through traffic. Feeding lines to the ocean ports will add to its importance.

The *Uganda Railway*, which passes through the British East Africa Protectorate, and connects the great trade centre of Mombasa with Uganda, the country of the Great Lakes, is interesting, as it has been built in advance of civilisation, in order to develop the country, and not solely to give access to the Sudan by an alternative route.

In South America railway development is opening out the countries; Argentina shows special development; European capital, especially British, has been expended on South American railways, and with excellent results; railway building in Argentina has led to prosperous farming communities and the location of towns. The piercing of the Andes in 1910 by a tunnel, which connects the railways of Argentina with those of Chile, commenced a new era in the trade of South America.

Australian railways are mainly in the coastal districts; in New South Wales and Victoria the lines penetrating into the interior convey wool, fruit, and ores to the ports. The great disadvantage of Australian railways is their difference of gauge, which necessitates the re-handling of goods.

The Eastern nations of the world have awakened to the importance of railways, and it is now possible to start from Calais, to traverse Europe, and Asia

by rail, and then to turn southward into China's heart at Hankow.

There yet remain many parts of the world where the carriage of goods is still carried on either by human labour or by beasts of burden. Horses, donkeys, mules, and oxen are used in the temperate parts, camels in the deserts, dogs and reindeer in the Polar regions, elephants in the tropical swamps, the yak and llama among the snowy passes of the Himalayas and the Andes, and human porters in Africa (especially where the tsetse fly is found), and in China. (See also TRANSPORT).

TRADE UNIONS.—"A Trade Union is a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their employment." This very comprehensive definition excludes the merely transitory bandings of men to effect some one definite desire. The object of the unions is not any *one* purpose, but *general* purposes; or, as it is sometimes expressed, to raise the standard of life of the workers. And it must be noted that increased wages, better conditions of work, and shortened hours are not all that is included in the programme of the unions.

The idea at the root of the whole movement is that combinations of workers can make better bargains than the isolated worker.

Trade unions have grown from small beginnings into large amalgamations of men and women. They have not only increased in size, but, following the law of things, have specialised in function. They have added to their activities partly in order to add to their strength and in part to comply with the requirements of the law. The unions in the staple trades now not only carry on the work of the earlier organisations, but their activities permeate the everyday life and even the affections of their members. In addition to looking after industrial interests, they look after the legal interests of members. Besides payment of death claims, most

stands more for militancy than the average union. It is what used to be called "New Unionism," and it differs from the Old Unionism only in this one respect. Being more militant, it carries less responsibility in regard to helping individual members who may be in distress through causes other than industrial. Syndicalists, in fact, regard the friendly aid features of the old trade unions as so much unnecessary encumbrance which hinders them in pursuing their primary object of industrial betterment. Old unions, on the other hand, regard those friendly society features as means of strengthening the bonds of unionism by building up and appealing to individual self-interest.

Finally, the old unions consist of skilled workers, while the newer and more militant form of union consists largely of unskilled workers. It will thus be noted that trade unions may be grouped into two divisions: the major—and, probably, more permanent—part consisting of unions which, while aiming at industrial betterment, at the same time apply the principle of mutual helpfulness to the various mischances of life; the minor dispensing with friendly aids to individuals, and seeking to raise the mass by militant means pure and simple.

TRADING ACCOUNT.—The profit and loss account of a trading concern is usually divided into two sections, the first being framed as to show the gross profit. This section is termed the trading account, and the balance, representing the gross profit, is taken to the second section, which is the profit and loss account proper. In the trading account, therefore, it is necessary to include all items of charges directly affecting the cost of goods sold, and the form of account adopted should be adhered to, so that the gross profit for periods may be arrived at on a uniform basis for the purpose of comparisons, etc.

The following is a form of trading account—

Trading Account for half-year ending June 30, 19..									
Dr.					Cr.				
To Stock—Jan 1st, 19..					By Sales				
„ Purchases					Less Returns, etc.				
Less returns, etc.									
„ Carriage Inwards					„ Stock—June 30th, 19..				
„ Wages (if these add to the cost of goods as when packed in special way to comply with order)									
„ Packing									
„ Balance—gross profit to Profit & Loss a/c									
				£				£	

of them pay pensions, sick benefits, or subsidies to members while unemployed; and many, in addition to one or other or all of these benefits, maintain benevolent funds, from which grants of money are made to members overtaken by exceptional distress or misfortune due to sickness, unemployment, bereavement, fire, flood, or fraud.

Another kind of union, however, is emerging into prominence, namely, that which is called "syndicalist." Syndicalism, however, is not a new phenomenon. It is only a new name. It

TRAMP STEAMER.—This is the name given to a vessel which keeps to no regular route, but which plies irregularly, carrying cargo to and from whatever ports require the service rendering.

TRANSFER DAYS (BANK OF ENGLAND).—(See DIVIDEND AND TRANSFER DAYS.)

TRANSFeree.—The person to whom a bill of exchange, or any other document, security, or article is transferred.

TRANSFER OF SHARES (COMPANIES).—It is probable that, next to the great importance of

the facilities offered to the industrial and commercial world by reason of the introduction of the Limited Liability Statutes, which offer safeguards of limitation of risk, is the fact that shareholders are allowed, with few exceptions, to transfer their holdings, should it be found inconvenient to allow their capital to remain in the company or corporation selected. The Companies (Consolidation) Act, 1908 (Sec. 28), permits any shareholder, upon application to the directors of the company, to transfer his holding; the company is required to enter in its register of members the particulars of the transfer, together with the name of the transferee or purchaser of the shares. This provision of the statutes is in all companies supplemented by further provisions embodied in their regulations or articles of association. In the majority of cases, clauses will be found to the following effect—

(1) A deed of transfer of any share or group of shares is to be executed by both the holder and the purchaser, in other words, the transferor and the transferee respectively. The former is deemed to be the holder of the share or shares till such time as the name of the transferee is actually entered in the register of members in respect of the shares mentioned in the deed. It is important to note that the mere fact of entering the particulars contained in the deed in the register of transfers does not constitute the cessation of the seller's membership nor the commencement of the buyer's. This does not actually ensue until the entry from the register of transfers has been posted to the members' register; the fact of the directors having sanctioned and passed the transfer deed notwithstanding

(2) A form of transfer deed is provided for in all companies' regulations whose shares have been accepted for quotation upon the official list of the London Stock Exchange. The form is to agree in all respects to that approved and issued by the committee of that institution; this committee carefully peruses the regulations of each company before granting facilities of quotation on the list of the "House." This is done in order to insure that the securities of each company shall not be subjected to undue restrictions in the money market, and so impede business.

(3) Directors may exercise a certain amount of discretion as to whether they will accept a transfer deed when shares are not fully paid; the deed purporting to transfer the shares to a person not approved of by them. They can also refuse a deed containing shares upon which the company holds a lien. In practically all companies powers are given to the directors to close their register of transfers for from fourteen to thirty days immediately before the annual or ordinary general meeting, every year. Further: they may at any time refuse a transfer deed where the company's registration fee of a sum not exceeding 2s. 6d. has not been paid, and unless the instrument of transfer is not accompanied by the share certificate covering the shares contained in the deed, or such further evidence as the Board may deem advisable to establish the title of the transferor. (See LETTER OF INDEMNITY.)

Examination of Deeds. The above will, in all probability, cover broadly the requirements to be observed by the registrars of all companies whose shares are subjected to much traffic, or change of membership, but regard must be had to the individual requirements of each company, and the procedure to be observed should be regulated

accordingly. The first steps to be taken by the responsible official of a company when a deed of transfer is submitted for presentation to the directors is to examine the authenticity of the deed itself; such as to scrutinise the nature of the transferor's signature; next, to compare the distinctive numbers of the shares mentioned in the deed with those appearing upon the seller's share certificate, which must be handed in at the time when the deed is presented, unless the transfer has previously undergone the process of certification (*qv*), when it would have been lodged.

The form of certification should be examined with the entry made in the certifications' book or upon the back of the share certificate, which would have been lodged when the deed was first presented to be certified. It then becomes necessary to ascertain whether all of the parties to the contract have appended their signatures, and that those signatures have been attested in the manner prescribed for such instruments; where the shares are held jointly, or, if they are to be transferred to joint holders, provision is made for the signature and attestation to those signatures of each holder, whether in the case of sellers or buyers. The last duty to be performed in scrutinising the deed is to verify the amount of stamp duty required to be impressed upon every instrument of this description. (See end of present article.)

In assessing the amount of duty, it is necessary to note that the amount levied is based upon the amount of the consideration passing between the parties, not upon the nominal or paid-up value of the shares. The secretary of the company is regarded by the statutes as the one official personally liable for any neglect in regard to the payment of revenue in this connection, and is liable to a penalty not exceeding £10 for every deed which may not have been properly stamped. The duty is to be paid to the Inland Revenue Authorities not more than thirty days from the date when the deed was executed; it is important to remember, however, that the secretary is not required to attend to the business of stamping transfer deeds. He is merely required to see that it has been done. It is a Stock Exchange custom to require the stamp duty to be met by the transferee, and in dealing with shares quoted upon the official list, this is always attended to by the transferor's broker.

Transfer Receipts. If the deed has been found to be satisfactory in all the above particulars, the depositing broker, who will represent the seller, may require—

1 A form of acknowledgment known as a transfer deed receipt, which must be issued under the full name of the company, with the address of its registered office, and contain space for the serial number of the deed affixed by the company's officials, as above stated.

2 The names of the transferors and transferees respectively.

3 The number and class of the shares with the distinctive numbers.

4 The number of the share certificate left with the deed; and the number of shares contained in that certificate.

5 It must also contain the name of the brokers or other agents of the shareholder, and be signed by the secretary or registrar, on behalf of the company.

6 The receipt should further state the date when the share certificate in the name of the transferee will be ready.

SPECIMEN OF TRANSFER DEED RECEIPT.

No. 4168

Date May 15th, 19..

No. of Deed 1105

Transferor C. Winkle

Transferee E. Wardle (Spin.).

No. of Shares 100 Preference

Do Distinctive numbers 15101

to 15200 inclusive

Fees paid 2s 6d

Deed left by

Tredgold & Co.,

1 Capel Avenue, E.C.

No. of certificate 769 for

400 Preference Shares

(See balance ticket No. 2560)

New Certificate ready 28/5/19..

THE EMPIRE STORES, LTD

No 4168

RECEIPT FOR TRANSFER DEED

1-20 Queen's Row,

Bayswater,

May 15th, 19..

Deed No 1105

Transferor C. Winkle

Transferee Miss Emily Wardle

Shares 100 Preference, numbered 15101 to 15200 inclusive

Certificate deposited No 769 for 400 Preference Shares

By Messrs Tredgold & Co.,

1 Capel Avenue, E.C.

For the Empire Stores, Ltd.,

W. W. Staveleigh,

Secretary.

NOTE—The above transfer deed is held subject to the approval of the Board of Directors

Certificates for the above shares will be ready on the 28th May, 19.. but will only be handed over in exchange for this ticket.

7. Finally, all the particulars contained in the document should be reproduced upon the counterfoil, or a facsimile obtained by some manifold process.

Balance Tickets. A balance ticket (*q.v.*) issued by the secretary, registrar, or other responsible official will constitute some documentary evidence to the effect that certain shares not covered by the deed, remain over as a balance in favour of the transferor. The broker may either request the company to issue a share certificate for the balance, or he may intimate his intention of lodging further transfer deeds, if it is the holder's intention to dispose of the whole.

The balance ticket should specify the name of the shareholder in whose name the remaining shares stand, and specify definitely the number and class of the shares represented, as well as the distinctive numbers. The names of the transferor's agents or brokers, and their addresses, must be stated, and some intimation should be contained upon the ticket as to when the share certificate, if required, will be ready to be exchanged for the ticket thus issued.

The last and most important step to be observed in accepting a deed of transfer is to cancel the share certificate lodged with it. This is usually done by impressing across the directors' and secretary's signatures, in bold letters, the word "cancelled" by means of an indiarubber stamp, which at the same time automatically impresses, by means of a dating device, the date of cancellation. This has been deemed to be necessary as additional evidence to corroborate and identify the

particular share certificate representing the transfer deeds lodged with it.

Registration. The above formalities having been observed, the act of registering the transfer deed is a comparatively simple matter. A register of transfers will contain the following—

1. The number of the deed, which is entered by the company's officials, and is used serially as the deeds are deposited

2. The date when the deed was left at the company's registered office.

3. The surname, christian name, and brief address of the transferor

4. The particulars of the shares to be transferred as represented by each deed, giving the number of the shares and the distinctive numbers inclusively.

5. The serial number of the old certificate lodged and now cancelled

6. The folio and number of the register of members' transferor's account

7. The amount of consideration money passing between the contracting parties

8. Full particulars of the transferee as to surname, full christian name, complete address, description, or occupation.

9. Folio and number of register of members for the transferee's account.

10. The number of the new certificate

Finally, an adequate column should be left, headed "Remarks," in which any additional information may be entered periodically. The Board or a committee of that body will meet to

the facilities offered to the industrial and commercial world by reason of the introduction of the Limited Liability Statutes, which offer safeguards of limitation of risk, is the fact that shareholders are allowed, with few exceptions, to transfer their holdings, should it be found inconvenient to allow their capital to remain in the company or corporation selected. The Companies (Consolidation) Act, 1908 (Sec. 28), permits any shareholder, upon application to the directors of the company, to transfer his holding; the company is required to enter in its register of members the particulars of the transfer, together with the name of the transferee or purchaser of the shares. This provision of the statutes is in all companies supplemented by further provisions embodied in their regulations or articles of association. In the majority of cases, clauses will be found to the following effect—

(1) A deed of transfer of any share or group of shares is to be executed by both the holder and the purchaser, in other words, the transferor and the transferee respectively. The former is deemed to be the holder of the share or shares till such time as the name of the transferee is actually entered in the register of members in respect of the shares mentioned in the deed. It is important to note that the mere fact of entering the particulars contained in the deed in the register of transfers does not constitute the cessation of the seller's membership nor the commencement of the buyer's. This does not actually ensue until the entry from the register of transfers has been posted to the members' register; the fact of the directors having sanctioned and passed the transfer deed notwithstanding

(2) A form of transfer deed is provided for in all companies' regulations whose shares have been accepted for quotation upon the official list of the London Stock Exchange. The form is to agree in all respects to that approved and issued by the committee of that institution; this committee carefully peruses the regulations of each company before granting facilities of quotation on the list of the "House." This is done in order to insure that the securities of each company shall not be subjected to undue restrictions in the money market, and so impede business.

(3) Directors may exercise a certain amount of discretion as to whether they will accept a transfer deed when shares are not fully paid; the deed purporting to transfer the shares to a person not approved of by them. They can also refuse a deed containing shares upon which the company holds a lien. In practically all companies powers are given to the directors to close their register of transfers for from fourteen to thirty days immediately before the annual or ordinary general meeting, every year. Further: they may at any time refuse a transfer deed where the company's registration fee of a sum not exceeding 2s. 6d. has not been paid, and unless the instrument of transfer is not accompanied by the share certificate covering the shares contained in the deed, or such further evidence as the Board may deem advisable to establish the title of the transferor. (See LETTER OF INDEMNITY.)

Examination of Deeds. The above will, in all probability, cover broadly the requirements to be observed by the registrars of all companies whose shares are subjected to much traffic, or change of membership, but regard must be had to the individual requirements of each company, and the procedure to be observed should be regulated

accordingly. The first steps to be taken by the responsible official of a company when a deed of transfer is submitted for presentation to the directors is to examine the authenticity of the deed itself; such as to scrutinise the nature of the transferor's signature; next, to compare the distinctive numbers of the shares mentioned in the deed with those appearing upon the seller's share certificate, which must be handed in at the time when the deed is presented, unless the transfer has previously undergone the process of certification (*qv*), when it would have been lodged.

The form of certification should be examined with the entry made in the certifications' book or upon the back of the share certificate, which would have been lodged when the deed was first presented to be certified. It then becomes necessary to ascertain whether all of the parties to the contract have appended their signatures, and that those signatures have been attested in the manner prescribed for such instruments; where the shares are held jointly, or, if they are to be transferred to joint holders, provision is made for the signature and attestation to those signatures of each holder, whether in the case of sellers or buyers. The last duty to be performed in scrutinising the deed is to verify the amount of stamp duty required to be impressed upon every instrument of this description. (See end of present article.)

In assessing the amount of duty, it is necessary to note that the amount levied is based upon the amount of the consideration passing between the parties, not upon the nominal or paid-up value of the shares. The secretary of the company is regarded by the statutes as the one official personally liable for any neglect in regard to the payment of revenue in this connection, and is liable to a penalty not exceeding £10 for every deed which may not have been properly stamped. The duty is to be paid to the Inland Revenue Authorities not more than thirty days from the date when the deed was executed; it is important to remember, however, that the secretary is not required to attend to the business of stamping transfer deeds. He is merely required to see that it has been done. It is a Stock Exchange custom to require the stamp duty to be met by the transferee, and in dealing with shares quoted upon the official list, this is always attended to by the transferor's broker.

Transfer Receipts. If the deed has been found to be satisfactory in all the above particulars, the depositing broker, who will represent the seller, may require—

1 A form of acknowledgment known as a transfer deed receipt, which must be issued under the full name of the company, with the address of its registered office, and contain space for the serial number of the deed affixed by the company's officials, as above stated.

2 The names of the transferors and transferees respectively.

3 The number and class of the shares with the distinctive numbers.

4 The number of the share certificate left with the deed; and the number of shares contained in that certificate.

5 It must also contain the name of the brokers or other agents of the shareholder, and be signed by the secretary or registrar, on behalf of the company.

6 The receipt should further state the date when the share certificate in the name of the transferee will be ready.

REGISTER OF TRANSFERS

Left-hand Ruling

No. of Deed.	Date of Registration.		Transferor.			Shares Transferred.			No of Old Certificate.	Folio of Register.	Consideration		
			Surname.	Christian Name.	Address (brief).	No	Distinctive Nos (inclusive)						
1105	19..	15	Winkle	Cornelius	Buckstone	100	15101	15200	769	543	102	10	0

PREFERENCE SHARES

Right-hand Ruling

Transferee.				Register of Member's Folio.	New Certificate No	Remarks
Surname.	Christian Name.	Address.	Description.			
Wardle	Emily	The Hall, Rochester.	Spinster	853	1950	

purpose, constructed in such a way that duplicate copies can be obtained of all notices sent out, the copies bearing some note of the number of the transfer deed for easy identification in each instance.

Specimen of Notice to Transferor of Lodging of Transfer.

Urgent.

THE EMPIRE STORES, LTD

Re Transfer Deed No. 1105.

NOTICE OF TRANSFER OF SHARES.

1-20 QUEEN'S ROW,
BAYSWATER,
15th May, 19..

Dear Sir,

I have to inform you that a deed of transfer purporting to be signed by you and executed in the name of Miss Emily Wardle as transferee, for 100 Preferred Shares has this day been deposited at these offices for registration by Messrs. Tredgold & Co., of 1 Capel Avenue, E.C.

Unless I hear from you per return of post, I shall assume the above named transfer to be in order, and it will consequently be brought forward at the next meeting of the Board for registration.

I am,

Your obedient Servant,
W. W. Staveleigh,
Secretary.

To C. Winkle, Esq.,
Dingley Dell,
Buckstone.

Stamp Duties. The following are the stamp duties as fixed by the Finance Act, 1920.

Transfer on sale or operating as a voluntary disposition *inter vivos* of—

- (1) Stock of the Bank of England—the fixed duty of 0 15 6
- (2) Stock of the Government of Canada inscribed in books kept in the United Kingdom or of any Colonial Stock to which the Colonial Stock Act, 1877, applies, for every £100 and also for any fractional part of £100 of the nominal amount of stock transferred 0 5 0
- (3) Any Stock, Shares or Marketable Securities (except such Stock as aforesaid) where the amount or value of the consideration for the sale (or, in the case of voluntary disposition *inter vivos* the value of the property) does not exceed £5 0 1 0
Exceeds £5 and does not exceed £10 0 2 0
" £10 " " £15 0 3 0
" £15 " " £20 0 4 0
" £20 " " £25 0 5 0
" £25 " " £50 0 10 0
" £50 " " £75 0 15 0
" £75 " " £100 1 0 0
" £100 " " £125 1 5 0
" £125 " " £150 1 10 0
" £150 " " £175 1 15 0
" £175 " " £200 2 0 0
" £200 " " £225 2 5 0
" £225 " " £250 2 10 0
" £250 " " £275 2 15 0
" £275 " " £300 3 0 0
" £300—(or every £50, and also for any fractional part of £50 of such amount or value 0 10 0

The duties on transfers not on sale and not by way of voluntary disposition have not been increased. Accordingly such transfers of the stocks, etc., described under (3) are liable to the fixed duty of 10s as before.

By sect. 42 of the Act, special provision is made for the case of transfers on sale of stock or marketable securities to a dealer on a stock exchange, as therein defined, or his nominee, when the transaction

to which the transfer relates has been carried out by the dealer in the ordinary course of his business. Such transfers will be sufficiently stamped with 10s. if, in addition to the stamp denoting the duty, they bear the supplementary stamp under the terms of the section.

TRANSFER OF SHARES (STOCK EXCHANGE).

—When the tickets referred to under the heading of SETTLEMENT, STOCK EXCHANGE, and SPLIT TICKETS have passed from hand to hand until they have reached their ultimate destination, there remain to be made out the deeds of transfer relative to stock and shares which have to be delivered; and on the pay day, the last day of the settlement, in exchange for his cheque, the broker who has to take delivery of registered stock or shares receives a transfer executed by the individual out of whose name such stock or shares are coming. As has already been explained in dealing with the SETTLEMENT (STOCK EXCHANGE), ten days' grace is allowed, after which, if delivery of the transfer is not meanwhile effected, the purchaser is entitled to have recourse to the process of "buying in," a process which is described under that heading. In the majority of cases the transfer has been "certified" (See CERTIFIED TRANSFER). If it is not certified, the transfer has to be accompanied by the relative certificate in the name of the transferor. We will suppose that a broker has to receive on behalf of his client, Mr. John Jones, of The Cedars, Putney, S.W., a transfer for 100 shares in Van den Berghs, Ltd. He will receive a deed of transfer in the form shown in the inset.

In this transfer the portions that have been written in are indicated by italics. It will be noticed that the transfer is "certified," i.e., it bears on the left hand side an indication that the supporting certificate in the name of the transferor has been lodged with the Secretary of the London Stock Exchange, and that it has been signed by the former registered proprietor of the shares, whose signature has been attested by a witness. This transfer the purchasing broker sends on to his client for execution, and in due course he will receive it back from Mr. Jones, that gentleman having to sign the deed in the blank space below the signature of H. T. Browning, the transferor, his signature having also to be attested by a witness. The same witness may attest the signatures of both transferor and transferee if he happens to be acquainted with both parties. Should any mistake appear in the deed of transfer, the alteration must be initialled by all the parties thereto.

On receipt of the transfer executed by his client, the transferee, it is the duty of the broker to present such transfer to the office of the company for registration. In exchange for this, he gets a document acknowledging that transfer for 100 shares in favour of Mr. John Jones has been lodged for registration, and such transfer receipt will mention the date on which the new certificate in that gentleman's name will be ready for delivery. The broker holds the transfer receipt until the due date, when he presents it to the office of the company and receives in exchange therefor the new certificate in the name of his client, which he forwards to that individual. This results in a delay varying from three to six weeks between the date of the purchase and the receipt by the purchaser of the share certificate in his name, and many individuals unversed in these matters experience a feeling of

uneasiness on that score. There is, however, no cause for this, for the certificate is merely evidence of their ownership of the shares; and the moment the name of a purchaser is entered upon the books of a company, which is usually the day on which the transfer executed by him is lodged with the company, he is actually a shareholder. Care should be taken not to lose or mislay a certified transfer, for in such event the transferee can only be registered as the holder of the shares after compliance with certain vexatious formalities, sometimes even involving advertisement. The loss of an uncertified transfer is of little importance, so long as the certificate itself is not lost, because in such a case the only trouble involved is to secure the signature of the transferor to a duplicate deed. It is a safe rule to send certificates or certified transfers only by registered post.

TRANSFEROR.—The person who parts with a bill of exchange or any other document, security, or article to another.

When a transfer of any article is made for a valuable consideration, there is a warranty, express or implied, on the part of the transferor that he has a right to transfer the property in the same. If this should eventually turn out not to be the case, the transferee has a right to claim repayment of what he has given in respect of the transaction.

The transferor of a bill of exchange by mere delivery, that is, without indorsing it, warrants to his immediate transferee being a holder for value that the bill is what it purports to be, that he has a right to transfer it, and that at the time of transfer he is not aware of any fact which renders it valueless. But the transferor is not, in such a case, liable upon the instrument itself, nor is he liable on the consideration in respect of which he has transferred the bill, if the bill should be dishonoured, unless—

(1) The bill was given in respect of an antecedent debt; or

(2) It appears that the transfer was not intended to operate in full and complete discharge of such liability.

For example, A, the holder of a bill for £100, which has been indorsed in blank, discounts it with a banker for £90 without indorsing it. If the bill is dishonoured at or before maturity A is not liable to refund the £90.

TRANSFER RECEIPT.—[See TRANSFER OF SHARES (COMPANIES)].

TRANSHIPMENT.—In cases of necessity, as, for instance, where a ship is wrecked or otherwise disabled in the course of the voyage, and cannot be repaired, or cannot be repaired without too great a delay and expense, the master, acting as agent of his owner, may procure another competent vessel to carry on the goods and earn the freight. He is entitled, however, to a reasonable time within which to tranship. It has never been decided in this country whether under any circumstances he is bound to tranship; but it is the duty of the master, as representing the shipowner, to take active measures, where reasonably practicable, for the preservation of the cargo from loss or deterioration in case of accidents. The master ought not to leave the cargo to perish, and in case of absolute necessity, where he has no means of communicating with the owners of the cargo, he may, to save the cargo, hypothecate the cargo, and where it is impossible to carry it on or preserve it he may even sell it.

In no case has it been held that the master is under obligation to the shipper or charterer to

[FACSIMILE OF DEED OF TRANSFER]

Certificate for £100 Stock forwarded to the Company's Office by
Van den Berghs, Ltd.
A. G. Hates, Secretary.

82-10-0
Stamp.

1. *Henry Thomas Browning,*

3 Albany Mansions,

Kensington,

in consideration of the sum of [^{See Note at foot} *Two hundred and forty-one pounds*]

paid by *John Jones,*

The Cedars,

Putney, S W.

Gentleman,

hereinafter called the said Transferee

DO hereby bargain, sell, assign, and transfer to the said

Transferee—

(100) *One hundred Ordinary Shares of One pound each, fully paid, and numbered 38261 to 38360*

of and in the undertaking called the

Van den Berghs, Limited,

To HOLD unto the said Transferee *his* Executors, Administrators, and Assigns, subject to the several conditions on which *I* held the same immediately before the execution hereof, and *I* the said Transferee do hereby agree to accept and take the said *Shares* subject to the conditions aforesaid.

AS WITNESS our Hands and Seals, this *second* Day of *January,*
in the Year of our Lord One Thousand Nine Hundred and

Signed, sealed, and delivered, by the above-named *Henry Thomas Browning* in the Presence of

* SIGNATURE OF WITNESS } *James Parsons,*
Address, *3 Albany Mansions,*
Occupation, *Vallet, Kensington*

Signed, sealed, and delivered, by the above named *John Jones* in the Presence of

* SIGNATURE OF WITNESS } *Helen Mills,*
Address, *The Cedars,*
Occupation, *Parlour maid Putney, S W.*

Signed, Sealed, and delivered, by the above named in the Presence of

* SIGNATURE OF WITNESS }
Address,
Occupation,

Signed, sealed, and delivered, by the above-named in the Presence of

* SIGNATURE OF WITNESS }
Address,
Occupation,

Henry T. Browning

SEAL

John Jones

SEAL

SEAL

SEAL

NOTE. —The Consideration money set forth in a transfer may differ from that which the first Seller will receive, owing to sub-sales by the original Buyer; the Stamp Act requires that in such cases the Consideration money paid by the Sub-purchaser shall be the one inserted in the Deed as regulating the *ad valorem* Duty, the following is the Clause in question —

"Where a person, having contracted for the purchase of any Property, but not having obtained a Conveyance thereof, contracts to sell the same to any other Person, and the Property is, in consequence, conveyed immediately to the Sub-purchaser, the Conveyance is to be charged with *ad valorem* Duty in respect of the Consideration moving from the Sub-purchaser."
(54 & 55 Vict., cap. 39 (18, 1) Section 78, Sub-section 4.)

INSTRUCTIONS FOR EXECUTING TRANSFERS.

- When a transfer is executed out of Great Britain, it is recommended that the Signature be attested by H. M. Consul or Vice-Consul, a Clergyman, Magistrate, Notary Public, or by some other Person holding a public position—as most Companies refuse to recognise Signatures not so attested. When a Witness is a Female, she must state whether she is a Spinster, Wife, or Widow, and if a wife she must give her husband's name, address and quality, profession or occupation. The date must be inserted in Words and not in Figures.

tranship the cargo, if his own vessel is disabled; but if he tranships in case of such disablement, as he is entitled to do, in order to earn the freight stipulated in the original charter party, he cannot bind the charterer by exception of perils other than those excepted in the original charter party; and should there be a loss by other perils, though excepted in the new contract of affreightment, such exception is no defence for the shipowner under the original contract.

It is clearly beyond the master's authority, in hiring another ship, to bind the merchant to pay for dead freight; but the shipowner is not bound to employ another vessel to complete the voyage to his own loss. If, therefore, the only terms upon which another ship can be got are such that the whole agreed freight and more will be absorbed by the expenses of forwarding, the master is entitled, and in duty to the shipowner is bound, to abandon the voyage unless he completes it in his own ship.

TRANSHIPMENT BOND NOTE.—This is a note given when dutiable goods are transhipped, and states that the party named therein has given security for the due transshipment and exportation of the goods specified. This note is handed in to and retained by the Customs authorities in every case where dutiable goods are transhipped from one vessel to another. Unless some such note was in existence, duty will have to be paid upon the unloading in the first instance. A form of bond note is given in the article on CUSTOMS FORMALITIES.

TRANSHIPMENT DELIVERY NOTE.—A note used when dutiable goods are to be transhipped. It is addressed by the Customs to their officer on board the incoming vessel, instructing him to send up in charge of an officer of Customs the goods specified therein, to be delivered into the custody of the proper officer at the docks where the export steamer is lying.

TRANSHIPMENT PRICKING NOTE.—This is another document also in use when dutiable goods are transhipped. It is addressed by the Customs to their officer on board the export steamer, instructing him to receive the goods (by land or water, as the case may be), and is signed by him, as well as by the mate of the ship, as certifying to the shipment.

TRANSIRE.—A document issued at the Custom House, drawn in duplicate, for use in the coasting trade, fully describing the goods on board a ship, and giving the names of the shipper and the consignee. The duplicate serves as the outward clearance of the vessel; and the original, being given up when she reaches her destination, is her entry inwards.

TRANSMISSION OF SHARES.—The formalities to be observed in regard to the representation or change of holdings in shares, occasioned either by death, lunacy, or bankruptcy, are more or less uniformly dealt with more from a point of accepted practice than from actual requirements of the law. The Companies (Consolidation) Act, 1908 (Sec. 29), requires that

"a transfer of share or other interest of a deceased member of the company made by his personal representative shall, although the personal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer."

The statute is, however, silent as to the procedure necessary in cases of lunacy and bankruptcy, but the clauses of Table A, which will in all probability be found embodied in the articles of association of every important company, provide for all three cases. A clause, known as the "Transmission Clause," will be found in the articles of most companies, either similar to, or on the lines of, Clause 22 of Table A, which is as follows—

"Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy."

Upon the demise of a sole holder of a share or shares, the executors or persons to whom letters of administration have been granted, will be the only parties recognised as having any title or claim to the shares, but where a holding is represented by two or more persons, the survivor or survivors, or executors or other representatives of the deceased member, are the only persons recognised by the company as having right to those holdings.

Bankrupt or Deceased Shareholders. Upon the bankruptcy of any shareholder registered in the company's books, the company may require such evidence being produced from time to time as may be required by the directors before such representatives have the right either to be registered as a member in respect of the share or shares, or to make such transfer of the shares in the same way as the registered holder was entitled to do. The directors can, however, in any case exercise their discretion to decline or suspend registration of representatives as members, or of a transfer of shares.

Persons becoming entitled to a share or shares arising from the death or bankruptcy of a member are entitled to the same privileges as were enjoyed by the original holder, but until such person is registered as a member in respect of the shares, he is not entitled to exercise any of the privileges enjoyed by members in respect to attending meetings of the company. It is important to note that the above Act by Section 27 strictly prohibits the entry upon the register "of any trust expressed, implied, or constructive." So that in recording the demise of a shareholder, the company's officials must merely make a note at the head of the shareholder's account in the register to the effect that a certificate of death, or probate of the will, or letters of administration have been exhibited at the company's registered offices, naming such persons as have been appointed by the deceased as his or her personal representatives.

It will depend upon the company's regulations as to whether those representatives may exercise the full rights and privileges conferred upon the deceased by reason of his holding, but, in any case, dividends accruing upon the shares would be paid to the executor or administrator whose name first appeared, if more than one name is given. As a general rule, as pointed out above, the

representatives of deceased have an implied right to dispose of or transfer the shares.

An official receiver or trustee in bankruptcy would be similarly situated in regard to the holdings of a debtor.

Whenever official documents are lodged for exhibition at a company's registered office, the officials are required to peruse closely the contents and make proper extracts into a book kept by the company, and known as a register of documents, all material data would be duly carefully noted in this book when completed. The same entries are also, of course, made in the shareholders' account in the register of members. The document exhibited is stamped in the following manner—

EXHIBITED AND REGISTERED. Folio 958 <i>The Empire Stores, Limited</i> May 13th, 19.. <i>W. W. Stavcleigh,</i> <i>Secretary.</i>
--

In the case of death of a shareholder, the larger companies require the deceased's representatives to fill in and sign the following form—

Form of Probate Registration.

No. 159

THE EMPIRE STORES, LTD.

FORM FOR REGISTRATION OF PROBATE OF
WILLS OF DECEASED SHAREHOLDERS.

Name, address, and description of the deceased member ..	{	<i>Bernard Brewer,</i> <i>The Manor House,</i> <i>Horsley,</i> <i>Colonel. Bucks.</i>
Number of Shares held and distinctive Nos.		<i>3,000 Ordinary Shares</i> <i>Nos. 71426 to 73925,</i> <i>and 54501 to 55000,</i> <i>all inclusive.</i>
Date of Death		<i>4 Feb., 19..</i>
Date of proving the will at Probate Registry	{	<i>25th April, 19..</i>
Whether above Shares devolve upon specified legatees, and, if so, their name or names		<i>No.</i>
Executors	{	Name <i>Septimus Sleuth,</i> Address <i>10 Cursitor St.,</i> <i>E.C.</i>
		Occupation <i>Solicitor.</i>
		Name <i>John Jennings,</i> Address <i>Barton's Court,</i> <i>Oaklands.</i>
		Occupation <i>Gentleman</i>
Probate Exhibited by		<i>S. Sleuth & Son,</i> <i>Solicitors,</i>
Date		<i>30th April, 19.. 10 Cursitor St., E.C.</i>
Usual signature of Executors		<i>S. Sleuth,</i> <i>J Jennings</i>

For Office use only.	Examined by <i>B F.</i>	Entered in Share Register	Ord Reg 2/501	Fees paid 2s.6d.
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Most companies require a fee of 2s. 6d. or 5s. for the exhibition, perusal, and registration of such documents. In the case of bankruptcy, the usual notice from the official receiver or a trustee will be received and duly noted in the shareholder's account in the register. The same applies as to the lunacy of a member when notice from the Lunacy Commissioners will be received; usually in the form of a document giving the names of the committee appointed to administer the estate of a person of unsound mind.

TRANSPORT.—Transport problems are not of recent origin. In one form or another they have arisen ever since man had any goods to move from place to place, and as transport has become more completely organised they have provoked increasing controversy. Nor can it be said that their solution has never been attempted. But it is only in recent years that they have been systematically studied. The new universities and schools of economics having included the subject of transport in the curriculum for their commercial degrees, it has come to be treated as a branch of economics deserving of accurate, scientific study and inquiry. It will be understood that, with a subject so comprehensive—and even controversial—it will be impossible to do more than give a few brief notes thereon in this article.

Early Road Transport. About the middle of the seventeenth century, the means of travelling in England were revolutionised. A stage-coach, travelling at four miles an hour, would raise a smile to-day, but when it was introduced into this country it was considered a great innovation. Coaching at first was not only a slow and tedious business, but it was attended by some danger, especially during bad weather, when the wretched roads were apt to suffer from flooding. To get to Scotland in those days was more difficult than to go to India now. In the year 1763 it took no less than a fortnight to reach Edinburgh from London, and the coach attempted that feat only twelve times a year. When comparatively lightly-loaded vehicles, *i.e.*, those for passenger traffic, experienced a difficulty in making their way along such roads as existed, what must have been the obstacles in the way of transport of heavy goods? In actual practice it was found impossible to employ carts except in or near towns. Business men, seeing how foreign manufacturers were able to get their goods to the English markets expeditiously and cheaply, thanks to the water routes, began to turn their attention to the improvement of rivers, and the linking up of river with river by means of canals. But the commercial men being a small minority, their schemes had to wait for a national awakening. That the state of the roads was occupying public attention is shown by the adoption of the turnpike system, and no less than 452 separate Turnpike Acts were passed during the fourteen years, 1760-1774.

So far as speed in travelling was concerned, improvements began to take place. In the year 1774 was introduced the "flying coach," and in 1784 the journey from Edinburgh to London was reduced to just over two days. It seems strange to read, nowadays, that the speed was thought to be excessive, and travellers were seriously warned of the ill effects likely to result from rushing through the air at such a speed!

The bad state of the roads continued until John Metcalfe (1717-1810) appeared upon the scene.

He was the first great road engineer in England for many centuries. When once Metcalfe had shown the way, others followed. Macadam (1756-1836) and Telford (1757-1834) continued the great work of putting the high roads of England in good order. Thus new routes were planned and constructed, and many places hitherto isolated from each other were linked up and became important points on the system of communication. The coach, too, was improved, and so with good roads and a good vehicle a service, remarkable alike for its regularity and speed, was organised throughout the country.

Canal Transport. It was during what is known as the Industrial Revolution that James Brindley and the Duke of Bridgewater introduced into Lancashire a development of water transport by constructing inland canals, which exactly met the needs of the time and contributed in no small measure to make England the workshop of the world. Canal construction became almost a mania, and a very extensive system of canals was made. The advantages of an inland water route had been recognised from a very early date, and even when the rail had considerably diminished the friction of the road, with slow going traffic, the water road offered less resistance than the land road. But when the locomotive gave great additional speed to rail-borne traffic, the railroad became manifestly superior to the canal, for extra speed on a canal is not only difficult to obtain but is likely to cause serious damage to banks and locks.

England soon became covered with a system of artificial waterways, which though defective through lack of uniformity were immensely beneficial to the community. They gave to commerce easy means of transport in place of execrably bad roads, and thus not only cheapened the cost of transport but widened its area and stimulated it beyond the possibility of accurate estimate at this distance of time. Canals prospered and became finally characterised by all the abuses inseparable from prosperous monopolies. Prosperity brought stereotyped rigidity and petrifaction. The owning companies were finally more concerned to maintain and increase their own profits than to meet the growing requirements of commerce, and from the early part of the nineteenth century dates their downfall. The coming of the railway in the thirties of the nineteenth century marks the end of the canal era. Some of them continued for a long time to retain a large share of the transport industry of the country, some of them still continue to carry large volumes of traffic, but in the main, inland navigations are barely profitable or absolutely unprofitable undertakings. (See CANALS.)

The Railroad. Railroads were first used in connection with colliery work, and no sooner had Watt shown how to utilise the force of steam by the invention of the stationary engine than attempts were made to produce a self-propelled steam vehicle. How these attempts succeeded, and led to the inventions of George Stephenson is well known. Railways are dealt with in sufficient detail under RAILWAYS, so that very little more need be said here. There have been two remarkable developments during the long period of government control which began at the outbreak of war in 1914: (1) the railways have ceased to be as profitable as they were, (2) a Ministry of Transport has been created. (See TRANSPORT, MINISTRY OF.) The diminution of profit-earning powers of the railways

has been due to a conjunction of complex circumstances, rather than to any one cause, although the remuneration of labour may be predominant.

Shipping and Ocean Transport. The modern ship owes her origin to the Mediterranean, but although the evolution of ocean vessels is a most interesting study, space will not allow us to deal with it here. Suffice to say that, when the nineteenth century dawned, English ocean-going shipping consisted mainly of two types of ship, the Indiaman and the Free Trader. The former were the finest specimens of naval architecture of their day, and were engaged in Far Eastern trade for the East India Company. But, in addition to this trade, England was carrying on a very great commerce with other parts of the world. For this more miscellaneous trade, another type of ship was employed, smaller, but more cheaply built, more economical to handle—in a word, a commercial ship of comparatively great economic value. This ship is typified by the West Indian Free Trader—a vessel of small tonnage as compared with the Indiaman, a mere cockleshell as compared with trading vessels of to-day.

Gradually the vessels were improved, until about the year 1890 there had been evolved as perfect a vehicle for ocean transport purposes, propelled by canvas, as it is possible to imagine. Hand in hand with the improvement of the ship, science, invention and discovery had been creating a science of navigation served by instruments of a precision almost super-human. Every ocean, sea and river along which the world's commerce passes has been mapped, charted, buoyed where necessary, and studied to the extent that practically every hydrographical and meteorological phenomenon is known. The sailing ship had apparently been improved to the point at which it was safe to foretell that she would be a permanent adjunct to the commerce of the world. But within a few years it was realised by far-seeing commercial men that the sailing ship was doomed to disappear. That she is still able to trade on one or two routes is a remarkable testimony to her efficiency, but it is recognised that the sailing ship cannot compete with the modern steamer.

As at the beginning of the nineteenth century our shipping could be divided roughly into two classes—the Indiaman and the Free Trader—so to-day there are two main types of ocean going vessels, the liner and the cargo steamer. From the paddle steamers which carried passengers and mails during the fifties, to the *Aquitania* on the North Atlantic and the *Balmoral Castle* on the South African route, there has been a very great advance made in tonnage, in comfort, in economy, and in efficiency, nor would it be safe to think that future years will not witness further progress in these directions, possibly equally striking.

If the mail steamer has been improved during the last half-century, it can be said that the cargo steamer has been created, and the present day vessel of the latter class is an illustration of the maximum of economic capacity, combined with the minimum of cost, weight, and working expense. The two main types of cargo steamers are the *tanker*, for carrying oil in bulk, and the *refrigerating ship*, for transporting frozen or chilled meat and other perishable foodstuffs.

The great factor to-day in ocean transport is fuel. The fuel resources of the world to-day consist, for the purpose here in question, of coal

and oil. Whilst coal can only be utilised in a furnace, oil can be used to raise steam in ordinary marine boilers or it can be so used that boilers may be dispensed with. Both these methods result in effecting economies as compared with coal consumption.

To-day, with the exception of the areas included in the Arctic and Antarctic regions, it is possible to go, or to send cargo, to almost any part of the world, making use of the ocean route wholly or mainly, with the maximum of economy, and at a minimum of trouble or danger.

Motor Road Transport. Rather fuller notice is necessary of the tremendous strides made by the motor vehicle in transport matters. Before the European war, motor road transport was a great asset, and now it is an absolute essential. The war has given a great impetus to mechanical transport as a whole, and practical experience has shown that it is now an indispensable factor of national life.

Without motor traction—and motor traction in the most up-to-date form—no country can hope to maintain a footing in the universal competitive reconstruction which is everywhere taking place.

Mechanical road transport, owing to the increased development due to sounder views as regards rightful application and treatment, is entering upon a new era. The radius of its utility is continually being enlarged and appears to be almost unlimited, and the part that it will play in bettering the national welfare in years to come will, in the writer's opinion, prove to be immense.

That there are many difficult problems to be faced, and that much hard work will have to be done before really good results can be obtained, is not to be denied, but we have already gone so far along the road, and overcome so many serious obstacles, that there is no doubt that we shall achieve success in time.

Since the Armistice a great number of motor haulage contracting companies have sprung into existence, and undoubtedly this movement will expand to very considerable proportions all over the country. With the present uncertainty and fluctuations in the costs of material and labour, many commercial houses prefer to contract for their transport rather than to organise a fleet of vehicles of their own, more especially when their knowledge of the subject and actual experience are not extensive. This method, though unquestionably possessing certain advantages, can, as a rule, never compare in efficiency, economy and independence with that of a fleet of motors run by a firm itself on well organised lines.

With all forms of transportation, reliability, elasticity and economy are the features essential to success, and the system by which these qualities are gained to the greatest extent is the system to be adopted. Reliability is of primary importance, and that this can be secured was definitely proved in the war. As regards elasticity it is an established fact that motor road traction possesses this asset to a greater extent than any other form of transport; and the value of this was amply demonstrated during the war. Commercially, the value of being able to make extra detours on a delivery round or to change a route at a moment's notice speaks for itself. The matter of economy is dependent on several factors, notably upon the rightful application of the motor in respect of the nature of the work which is to be undertaken, and in the majority of cases the motor can be maintained at a cheaper

rate than the horse when mileage is taken into consideration.

Business people in this country were given plenty of opportunity of realising the utility and scope of the motor vehicle during the tube strike of 1919, and later on, to a much greater extent, in the railway strike of the same year. There is little doubt that during the latter mechanical traction received enormous impetus. The advantages were brought home to the trader who had not hitherto troubled to consider them, and having once weighed the matter thoroughly—taking into account the disadvantages which at that time were greatly emphasised—he determined to adopt motor haulage either for the first time, or to a greater extent than previously.

A few years before the war it was almost impossible to discuss the relative advantages of mechanical and horse haulage on anything but the broadest lines, because the scope of utility of the mechanically-driven vehicle was too limited.

The motor van could, as a rule, only be run with economy on long distance service, where places of call were few and far between. With the advent of the lighter and speedier types of petrol-driven vans and also of the electric vehicle, all this was changed, and traders found that with suitable machines almost any kind of delivery service could be undertaken, and with a marked saving over the horse haulage system.

In these strenuous and unsettled days the success of most business firms depends largely on the efficiency of their delivery service.

An important point to be borne in mind by those who are hesitating over the change from horse to motor transport is, that it is to the firm which takes the initiative that the greatest benefits accrue.

There is no place to-day for the business man or firm who is not thoroughly up to date.

Quick and punctual collection and delivery are dependent on the most essential feature for dispatch work, namely, reliability, and that this can now be attained, and in greater degree than with horses, is too well recognised to-day to need further emphasis.

The motor is independent of weather, and the importance of this fact is sufficiently obvious to all connected with the delivery of goods.

For the transport of perishable goods the motor is particularly well suited, since it conveys them from door to door, with only one handling at each end, while no delays occur as must be the case where frequent unloadings and reloadings have to be undertaken. In hot weather thousands of pounds' worth of food-stuffs are wasted owing to the goods perishing on the journey, through slow and badly ventilated means of transport, most of which might be saved by the employment of motor vehicles.

Another great advantage is that owing to the increased mileage which is possible with the motor, the trader's radius of business can be largely extended. By the use of motor-vans, outlying depots, with all the expenses entailed by staffs, warehouses, stables, etc., rendered necessary by the limited capacity of the horse, can be dispensed with, thus effecting great economy.

In the busy season the motor is especially the friend of the business man, for since it knows no fatigue, it can be run when required day and night. An urgent order from a distance of six or seven miles can be fulfilled without disorganising the daily round of deliveries, and any sudden rush

of business such as is brought to certain trades, as, for example, mineral-water manufacturers, by an unexpected spell of hot weather, can be coped with, whereas with the employment of horse haulage it would be utterly impossible, and the extra trade would go to the firm who could meet the demand. It must be remembered that with the reliable modern chassis, it is usually possible to allow a stated time in the year in which it can be overhauled, and this should, of course, be at the trader's slackest season.

Transport by Air. The road, the canal, the sea—all have been brought to the aid of man in the transport of his commerce, and now the "conquest of the air" has brought aerial transport into being.

Air transit is the latest phase in the history of transport. The development of aeroplanes and airships, and skill in their manipulation, made great strides during the European war, but the science of aviation is still in its early stages. Two types of air vessels must be distinguished. The airship relies on the use of a large volume of gas to give it buoyancy and so is lighter than air. The aeroplane has no gas container and is heavier than air. So far progress has been made chiefly in the use of the aeroplane, which can now be flown more or less independently of weather conditions and with comparatively little risk of accidents. For trade purposes the aeroplane is unlikely to be of use because of its small capacity for cargo, which is further diminished when large quantities of petrol are carried. However, for the rapid transit of passengers and mails the success of flying is assured. A daily service takes four hours between Paris and London, including land transit to and from the aerodromes on the outskirts of both towns.

It is estimated by experts that the air route between London and Sydney should be covered in six stages of a day each at a speed of 100 miles an hour by an aeroplane carrying sixteen passengers or one ton of mails. The provision of suitable aerodromes and landing places exercises a certain geographical control over the course of an air route.

The subject is also discussed under the heading of COMMERCIAL AVIATION, so no further mention of the matter is necessary here.

TRANSPORT. MINISTRY OF.—One of the great developments arising out of the war period, and one that represents the adoption of a definitely new policy, is the creation of the Ministry of Transport. There has always been more or less of a Ministry of Transport, because railway and canal affairs have been supervised by the Board of Trade, at the head of which is the President, who is a Minister and (though not necessarily) a member of the Cabinet of the day. The creation of a Ministry of Transport, however, has taken all these affairs out of the hands of the Board of Trade, and further powers have been added, e.g., the general supervision of road transport. It was originally sought to give the new department still larger powers, but Parliament did not go all the way with the proposals. However, the Ministry is in existence and it has a much wider sphere than was possessed by the Board of Trade. It has greater power in initiating reforms, for instance, and has already outlined a comprehensive scheme for the future organisation of railways. This scheme is so important, and marks such a great departure from the long established policy which has been pursued in these matters, that it seems desirable to adopt the unusual course of setting out the White Paper in full.

Railways. GROUPING.—It is proposed that the railways of Great Britain should be formed into a limited number of groups, say, five or six for England and Wales, and one for Scotland. The Irish railways naturally fall to be dealt with under the new legislation in regard to Ireland. The groups will be determined on the basis of operating economy, and all direct competition between the groups will, as far as possible, be eliminated. The groups which it is proposed to form are roughly—

(1) *Southern*, combining the South Eastern and Chatham, the Brighton and the South Western.

(2) *Western*, the present Great Western system with the Welsh lines.

(3) *North Western*, combining the North Western, the Midland, and the Lancashire and Yorkshire, North Staffordshire, and Furness.

(4) *Eastern*, combining the Great Northern, the Great Central, and the Great Eastern.

(5) *North Eastern*, the present North Eastern system and the Hull and Barnsley.

(6) *London Group* (local lines); and a *Scottish Group* for the whole of Scotland.

In each case the new group would absorb the smaller and independent broad gauge lines within its area, but railways which may be classified as "light," whether existing or future, will be wholly excluded from this grouping arrangement, and proposals with regard to these light railways are indicated later.

It is hoped that the amalgamation of companies in the respective groups will be carried out voluntarily, but as the scheme depends on the amalgamations, powers will be sought in a future Transport Bill to compel amalgamations (on terms, failing agreement, to be settled by some tribunal) in any cases where they are not voluntarily completed in a reasonable time to be specified.

It is recognised that a more logical grouping of the existing systems might result if regard were had exclusively either to geographical or to operating considerations, but the amalgamation of complete undertakings as the initial step will avoid many of the difficulties which would arise if undertakings had to be divided. It would be open to the new group companies to exchange between themselves lines which project from the territory of one group into that of another, and at a later stage it may become necessary to require them to do so.

MANAGEMENT.—Each of the grouped railways will require a board of management, and in order to secure efficiency and uniformity, and avoid undue cost, the number of members composing the board should be limited to probably twenty-one. The composition of the board is considered to be of the greatest importance, and whilst in the past the directors of railway companies have all been appointed by the shareholders, the government are of opinion that the time has arrived when the workers—both officials and manual workers—should have some voice in management.

The board of management should, in the opinion of the government, be composed of representatives—

(a) Of the shareholders, who should form a majority on the board, and of whom a proportion should hold large trading interests; and

(b) Of employees, of whom one-third might be leading administrative officials of the group, to be co-opted by the rest of the board, and two-thirds members elected from and by the workers on the railway.

FINANCE.—The Act of Parliament should lay it

down that rates and fares shall be fixed at such a level as, with efficient and economical management, will in the opinion of a prescribed authority enable railway companies to earn a net revenue substantially equivalent, on some pre-war basis to be settled in the Act, to the combined net revenue of all the companies absorbed in the group. With due care and economy it should be possible for group companies to improve on their pre-war return, but, in that event, the government is of opinion that such surplus revenues should not accrue entirely to the companies. The state would be very materially extending the "charter" of the companies and is entitled to participate in such surplus revenues, and settlement of a suitable sliding scale to regulate their division presents no insuperable difficulty.

DEVELOPMENT FUND—It is not contemplated that the government's share of the surplus revenues should be thrown into the general revenue of the country. Much development work has to be done which is beyond the financial resources of the localities, and the intention is that the government's share of these surplus profits should be funded for development purposes, to assist backward districts, to develop light railways, and for other appropriate purposes in connection with transportation, as may be approved by Parliament in the Act.

RATE-FIXING MACHINERY—The financial stability of the groups on the one hand, and reductions of rates on the other, can, in the opinion of the government, only be assured if there is adopted a procedure for fixing rates which, whilst being flexible, will command the confidence of railways and traders. The Statutory Rates Advisory Committee is now engaged upon a systematic review of railway rates and charges, the principles upon which they are to be fixed, the machinery by which they shall be governed, and the committee's reference will later be extended to cover fares.

The machinery for dealing with the railway rates and charges of the country is generally admitted to rest upon an unsatisfactory basis, but it is hoped to place the whole system of rates and charges upon a sound footing after the Rates Advisory Committee has reported.

The first object of the revision will be to secure financial equilibrium to the railways of Great Britain as a whole, and it is anticipated that, having regard to the size and diversity of traffic conditions in each group, the revision in aiming at this result will also secure an approximate equilibrium within each of the proposed groups. If, however, revenue were not obtained at least equal to the basic revenue agreed upon, the procedure contemplated is that the Rates Advisory Committee—or whatever body may be appointed to exercise its functions—should be asked to consider modifications in the scheme and to make recommendations to the Minister.

It is not possible at this stage to indicate in detail what machinery should be set up for dealing with appeals from traders on railway rates. The Rates Advisory Committee is conducting an exhaustive inquiry, and the government must await their report before it can embody any proposals in a Bill.

The government does not propose to give to the companies any financial guarantee. It proposes to set up a flexible rates machinery, which will enable appropriate charges to be levied, and to leave the railway companies to rely upon this machinery for the maintenance of the financial position of the groups at the level agreed.

The earnings of the companies must, of course, be subject to the normal fluctuations of traffic and to the express stipulation that the undertakings are being managed with due care and economy. This stipulation is considered essential to the protection of the public; but on the other hand it is proposed to grant to the companies a right of appeal to a judicial tribunal if the Minister of Transport refused, upon their application, to put the machinery for revising rates in motion.

WAGES AND WORKING CONDITIONS—It is proposed to provide by the Bill for a permanent machinery to deal with questions of railway wages and working conditions, on the lines of the two boards which have been established temporarily by agreement, namely, the Central Wages Board, consisting of equal numbers of managers and men with an appeal to the National Wages Board, consisting of four managers, four men, and four users of the railway, with an impartial chairman.

FUTURE POWERS OF THE STATE IN RELATION TO RAILWAYS—It will be proposed to confer certain powers upon the State in relation to railways. These powers may be conveniently grouped under the following headings—

- (a) For the protection of the public
- (b) For the economical working of the railway systems of the country

- (c) To safeguard national interests
- (a) *For the Protection of the Public*—

(1) The State would have the right to require adequate services and adequate facilities, including minor extensions in the geographical area which it is proposed to allot to each group company. A group company should, however, have a right of appeal to a tribunal to be prescribed if it contends that the requirement involves a capital expenditure which would seriously interfere with its finances.

(2) Subject to the same right of appeal, the State should have power to require alterations, improvements and additions necessary for public safety.

- (b) *For the Economical Working of the Railway Systems of the Country*—

(1) In order to obtain the best standards of permanent way, rolling stock, plant and equipment which are necessary to secure the financial returns to the groups and yet keep railway rates as low as possible, the State must (subject to a similar right of appeal by the companies) have the power to impose such standards.

(2) The State ought to have the right to require co-operative working, including granting of running powers, common user of rolling stock and facilities on equitable terms, the pooling of traffic and receipts where competition is causing waste, and the common user of workshop and manufacturing plant.

(3) In order that the public may know, and the government be in a position to judge of the working of the railways, the Ministry should have full power to prescribe the form of accounts, to regulate the manner in which they are compiled, and to require the compilation of such statistics and returns as are, in the opinion of the Minister, necessary, with a right of inspection.

- (c) *To Safeguard the National Interests*—

The railways should be required to submit for approval their proposals, involving capital expenditure and also their plans for raising capital required.

It is necessary, in view of the fact that the State is to provide machinery for adjusting rates intended to produce a certain net result, that the State should approve, and if necessary, have power to require, adequate reserves for depreciation and renewals to be made before dividends are issued. This again should be subject to a right of appeal to the prescribed tribunal.

Light Railways.—It is proposed to exclude light railways from the grouping arrangements. Light railways must rely largely for their prosperity and development upon the goodwill and assistance of the main-line companies in whose districts they lie. It is essential that the main-line companies should have no grounds for fearing competition from an ambitious light railway company, or combination of light railway companies. It should, therefore, be provided that where a group railway can prove to the satisfaction of the Ministry of Transport that the light railway is changing in character and is, in fact, becoming an ordinary railway, or is competing for main-line traffic, the group company may absorb the light railway on fair terms, and make it a part of its own system.

In so far as traffic for which transport facilities are required justifies the provision of standard gauge lines operating more or less under the same conditions as lines owned by main-line companies, the Minister should have power to insist that the group companies should provide the lines which are necessary. Different considerations apply to light railways, *i.e.* lines of much lighter construction with less onerous conditions of operation attached to them, constructed wherever possible along the verge of roads and subject to less stringent regulations than is the case with regard to normal railways.

The construction and management of light railways of this description should be in the hands of separate undertakings.

If this means of transport is to be developed for the benefit of agriculture and other industries, the State must encourage private enterprise or local authority enterprise by some financial assistance in the construction and development of light railways throughout the country. The policy of grouping light railway systems so far as possible as a means of securing economy in management, maintenance, repairs, etc., is considered wise, and experience has already shown that this can be done successfully.

It should be the policy of the Ministry to stimulate the development of light railways constructed, equipped and worked on the cheapest possible lines. It may be found that the present procedure under the Light Railway Acts, by which powers to construct light railways are sought and granted, may require to be modified.

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TRANSVAAL.—Position, Area, and Population. The Transvaal, known formerly as the South African Republic, annexed by Great Britain in 1900, includes the territory between the Vaal River in the south, and the Limpopo in the north, and between the Portuguese possessions and Natal on the east, and Bechuanaland on the west. The total area is 110,426 square miles, and about 20,000 square miles lie within the tropics. The population is estimated at about 1,700,000, of whom the whites number 490,000. The Transvaal, after having enjoyed responsible government for a few years, became incorporated in the Union of South Africa, 1910.

Build. The surface is an elevated plateau, 3,000 feet above sea level, dotted with thinly wooded hills, called "kopjes," covered with thorny bush, and interspersed with spurs or depressions, worn out by the action of streams. The northern extension of the Drakensberg Mountains, with the offshoot known as the Maghesberg, runs north and south, the highest summit being Mount Manchu, 8,725 feet high. In the north, a range known as the Hangklip runs east and west. In the north-east the surface is rugged, broken, and mountainous. The surface gradually slopes from the Drakensberg to the Limpopo. The country is watered by the rivers Vaal and the Limpopo, with their tributaries. The Vaal and the Nu-Gariep form, when united, the large Orange River. Both these rivers rise on the "Mount Aex Sources," a high summit of the Drakensberg. The Vaal forms the southern boundary of the Transvaal. The Limpopo, sometimes called the Crocodile River, rises among the Maghesberg, and enters the Indian Ocean a few miles north of Delagoa Bay. Its chief tributary is the Ohlfont or Elephant River. The Limpopo is shallow, and navigation is impeded by a double bar at its mouth.

Climate and Soil. Being situated at a high elevation, the climate is pleasant and healthy, and well adapted to Europeans. It is moister than that of the Orange Free State Province, and heat and cold vary considerably according to elevation. Both climate and soil are favourable for agriculture. While the soil is suitable for cultivation it is very fertile, but agriculture in some parts labours under serious drawbacks. Vegetation is richer than in the Orange Free State Province, and parts of the Transvaal are at a lower elevation than that colony.

Productions. Until the discovery of gold and other metals, the country was entirely pastoral, agriculture and stock-rearing being the chief industries, and although the Boers, or Dutch inhabitants, are still chiefly occupied on the land, mining constitutes the chief wealth of the country. Gold has been worked in the Lydenburg district since 1870, but its discovery in recent years in large quantities in the district called the "Rand" has entirely changed the prospects of the Transvaal, and caused many thousands of Europeans to immigrate, and build the large town of Johannesburg. There is abundance of coal, and also of excellent iron. Silver, lead, copper, and cobalt are also known to exist, and are mined to some extent. Large numbers of sheep are raised, wool-growing being still of great importance. Stock-rearing is also largely carried on, as is also ostrich farming, and in parts fruit and grain are largely grown.

Trade. The exports are chiefly the produce of farming and mining, and include wool, cattle, hides, game, ostrich feathers, ivory, butter, fruits, gold, silver, copper, lead, cobalt, and iron. The imports are chiefly manufactured goods of different kinds.

Means of Communication. There are about 2,700 miles of railways connecting the Transvaal with Durban, Delagoa Bay, and the Cape. Delagoa Bay is the natural outlet, and there is a line directly connecting Pretoria with the port of Lorenzo Marquez, passing through Koomati Poort, where the Portuguese and the Transvaal frontiers meet. Another main line connects Pretoria with Johannesburg and Bloemfontein, while a third important line, connecting Cape Town with Kimberley and Bulawayo, runs along the western border. It is now possible to make a complete railway tour of South Africa, entering at Cape Town and quitting at Durban or Lorenzo Marquez. There is good telegraphic communication between the chief towns.

Trade Centres. *Pretoria* Under the republic this was the centre of the political life of the Transvaal, and the seat of its Government. It is now the seat of Government of the Union of South Africa. It is at a lower elevation than Johannesburg, and is not so healthy. It possesses some good buildings, and is enclosed by hills. It lies in the centre of a district formerly engaged in the ivory and the ostrich feather trades. The white population is about 40,000.

Johannesburg, the largest town in the Transvaal, lies in the centre of a large gold mining district, is situated at a high elevation, and enjoys a remarkably fine climate. It is well laid out, has some good brick buildings and wide streets. Its growth has been very rapid, and the population is estimated at 250,000, one half of whom are whites.

Potchefstroom, in the south-west, was the old capital.

Other towns are *Lydenberg*, *Barberton* (around which are gold mines), *Utrecht*, *Bloemhof*, and *Rustenberg*.

People and History. The Transvaal is largely peopled by Boers of Dutch descent, just as is the Orange Free State. When Great Britain gained a firm footing in South Africa, the Boers gradually retired northwards, and eventually formed the Dutch African Republic. Owing to various difficulties, Great Britain annexed the territory in 1877, but four years later the Boers were granted complete self-government under the suzerainty of Great Britain. The name South African Republic was first used in 1884. It remained a republic until 1900, when it was again annexed by Great Britain. As already stated, it was granted self-government in 1907, and afterwards incorporated with Cape Colony, Natal, and the Orange Free State to form the Union of South Africa.

The Boers are essentially pastoral farmers, and much of the labour is done by natives. Gold and diamonds have attracted a most cosmopolitan population, and the problem of mixed races is one which will be bound to cause much anxiety in the future.

Mails are despatched from Great Britain to the Transvaal every Saturday afternoon. Pretoria is 7,200 miles distant from London, and the time of transit is about nineteen days.

For map, see CAPE COLONY.

TRAVELLER.—A person engaged by merchants

and manufacturers to canvass for orders, to collect money, and to represent their interests away from the establishments.

The rights and duties of a traveller will depend upon the terms of his engagement. He may be merely a servant of his principal or he may be in the position of an agent. (See COMMERCIAL TRAVELLER, TOWN TRAVELLER.)

When a traveller is engaged to go abroad it is necessary to obtain information as to the terms upon which such a person will be allowed to transact business in each country he visits. Such information is obtainable at any consulate.

TRAVELLERS' AGREEMENTS.—The agreement to be made between a traveller and his future employer is a matter of arrangement depending upon the particular business and usage of trades, the circumstances connected with the traveller, the mode of remuneration and a hundred and one other matters which vary in different cases. It will thus be seen that a set form of an agreement cannot be given which is suitable to all cases, but the general clauses can be indicated.

Recitals. The first part of the agreement introduces the parties and sets out the date of the agreement, and this is followed by the various conditions, in paragraph form, in numbered sequence.

Ground. The first of the paragraphs sets out the district to be covered by the traveller. The traveller's "ground," as the area of his operations is sometimes called, will depend upon the nature of the business and the number of possible customers. Thus, a manufacturing chemist will appoint a traveller to an area which would be smaller than the area covered by a traveller for a firm of boiler tube manufacturers. Again, the ground to be covered may be selected on account of the traveller's special knowledge of the area, its possibilities and requirements or on account of the *clientèle* the traveller may be able to introduce. The wording of the clause will be governed by these considerations or the agreement may be of a general nature simply setting forth that the traveller shall enter into the employer's service and "observe and perform the orders of the employer and his authorised agents."

Whole time Employment. The time to be allotted to the business of the employer will be the next consideration. The drafting of this clause will vary according as the contract is for full time or part time service. In any event it will prohibit the dealing in competitive articles or business, and usually a full time agreement will prohibit the traveller, "directly or indirectly, alone or in partnership," being "connected with or concerned in any other business or occupation whatsoever."

Accounts and Prices. Details of the arrangement as to books to be kept by the traveller will appear in the next clause, and it is well here to make provision as to periodic reports and the ultimate ownership of the traveller's books. This clause will require very careful drafting, and the contracting parties should be quite clear as to their intentions, particularly in a trade where a traveller introduces an existing *clientèle* to his new employer. Where, however, the "ground" is new to the traveller, the arrangement should give no trouble.

Compensation. In cases where the employee is to receive a salary irrespective of the results of his work, the remuneration clause will present no difficulty, but in the more usual case of remuneration on a fixed basis plus a commission, or in the more

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that purpose upon the face of the cheque. The signature must correspond with the holder's signature which was placed upon the cheque at the time of its purchase in the place designated for that purpose.

Ordinarily the line following the words "pay to the order of" on the cheque will be left blank. In such cases the name of the bank or hotel company or other party cashing the cheque should be filled in, thus making the cheque payable directly to the party who cashes it, in which case the holder need not indorse the cheque, his counter signature being all that is necessary. Should the name of the holder have been written on the face of the cheque following the words "pay to the order of" it will then be necessary for him to indorse the cheque as well as to countersign it.

Parties presenting cheques for encashment should receive the face amount, or its nominated equivalent in countries especially mentioned upon the face of the cheque, and in all other countries the equivalent of the sterling amount at the current rate of exchange.

In the case of doubt as to the authenticity of the cheque, if it is held up to the light certain planchettes will be seen, and no cheque is genuine without them. Planchettes, it is explained, are small discs in three colours embedded in the pulp of the paper at the time of its manufacture.

The form of the cheque is as follows:

\$20 American Bankers' Association \$20
Travellers' Cheque
Bankers' Trust Company,
New York City

Current in all parts.

No



When counter-signed below with this signature, at any time within two years from date, to wit

of the world

19

Pay to the order of \$20.00 or its equivalent as below

Countersignature

We hereby accept the foregoing order and will pay the same, when properly negotiated through any of our correspondents named on the back hereof, By Cashier
Bankers' Trust Company
By Treasurer

(Name of issuing bank to be printed here)

At the foot of the cheque the equivalent of the \$20 is given for various countries, that for Great Britain and Ireland being 14 18 8d.

The order is to be payable without deduction of charges, except stamp duty tax, out of funds to credit of drawer.

When cashed the cheque is to be forwarded for reimbursement to one of the various bankers mentioned on the back of the cheque, according to the country in which it is cashed.

Other forms than the above are also issued by American banks, and in some cases the signature of the holder has to agree with that on a letter of indication (*qv*).

Travellers' cheques are also issued in this country in precisely the same way as in America, but, of course, they are not guaranteed by any Trust Company. The cheques are for £5, £10, and £20, and are payable in various countries at the rates specified upon them, and in other countries at the current rates. A list of agents throughout the world is issued with each cheque or batch of cheques.

TRAVELLERS' REPORTS.—(See COMMERCIAL TRAVELLING)

TRAVELLING. (See COMMERCIAL TRAVELLING)

TRAVERSE JURY. (See JURY)

TREACLE.—(See MOLASSES)

TREASURE TROVE.—This phrase signifies any money, coin, gold, silver, plate, or bullion found hidden in (not on) the earth or other private place, the owner thereof being unknown. In the United Kingdom the treasure thus found is the property of the Crown. From an early date the coroner of the district in which treasure is found has had jurisdiction to inquire into the ownership of treasure trove, and this jurisdiction has been continued by the Coroners Act, 1887. When treasure is found the coroner orders an inquiry. Evidence is given, and the jury decide whether the true owner has been discovered or not. If the owner is discovered, he is declared entitled to the treasure; if not, the whole reverts, as already stated, to the Crown.

TREASURY.—The name given to the Government department which has charge of the finances of the country. The Prime Minister of the United Kingdom is usually the First Lord of the Treasury.

TREASURY BILLS. These bills are issued by the Treasury, under an Act of Parliament of 1877, for money borrowed by the Government and form part of the unfunded debt of the country. They may be payable at three, or six, or nine, but not more than twelve, months from the date of the bill. The principal money of any Treasury bill is charged on and payable out of the Consolidated Fund of the United Kingdom. With respect to the issue of Treasury bills the following provisions are in force: (1) Treasury bills shall be issued by the Bank of England under the authority of a warrant from the Treasury, countersigned by the Comptroller and Auditor-General of the receipt and issue of Her Majesty's Exchequer, (2) each Treasury bill shall be for the amount directed by the Treasury.

The Bank of England may lend to His Majesty upon the credit of Treasury bills any sum or sums not exceeding in the whole the principal sums named in such bills.

In a letter to the "Economist," November, 1909, Lord Welby explained that Treasury bills were invented by Mr. Walter Bagehot in 1877. The Chancellor of the Exchequer wished to provide certain funds by an increase of the floating debt. Mr. Bagehot's advice was asked, and he replied: "The English Treasury has the finest credit in the world; and it must learn to use it to the best advantage. A security resembling as nearly as possible a commercial bill of exchange—that is, a bill issued under discount, and falling due at certain intervals—would probably be received with favour by the money market, and would command good terms." His advice was acted upon, and the bills have continued in favour ever since.

When the Government requires to borrow upon

Treasury bills an announcement for tenders appears in the "Gazette" and forms of tender may be obtained from the Bank of England. As the bills do not carry interest, they are tendered for at a discount.

The following is a specimen of a Treasury bill—

Due 18th March, 19..

" Treasury Bill

Per Acts 40 Vict. c. 2 & 52 Vict. c. 6

A

001706

£1,000

London, 18th Dec., 19..

THIS TREASURY BILL entitles¹

or order to payment of ONE THOUSAND POUNDS at the Bank of England out of the Consolidated Fund of the United Kingdom on the 18th day of March, 19..

TREASURY BONDS.—The same things as are Exchequer Bonds (*qv*)

TREASURY NOTES.—On the outbreak of war with Germany in 1914, the Treasury issued £1 and 10s notes to act as legal tender for any amount (See CURRENCY SYSTEM AFTER THE WAR)

TREASURY SOLICITOR.—This is an official who is nominated by Royal warrant under the provisions of the Treasury Solicitors Act, 1876. He is a corporation sole, and it is to him that the administration of intestates' estates is granted when the Crown becomes entitled to them as *bona vacantia*, *i.e.*, when the intestate has died leaving no next-of-kin who is entitled under the Statutes of Distribution (*qv*). The Treasury Solicitor is also the King's Proctor, and until 1908 he likewise occupied the position of Public Prosecutor.

TREPANG.—(See BÊCHE-DE-MER)

TRESPASS.—Generally speaking, trespass signifies an act which interferes with the rights of another person. It may, therefore, affect the land, the goods, or the person.

The word is most commonly used in respect to land, and it means any interference with the exclusive right of the owner or holder for the time being. Thus, it is a trespass for one person to walk upon the land of another without permission, or to enter another person's house, or to shoot over his land, etc. In the majority of cases trespass is a tort for which a civil remedy alone is provided. For example, A walks over B's land. If B feels aggrieved he may bring an action against A for damages, the amount of the damages being limited to the actual damage sustained. In many cases the damage will be extremely small; but the aggrieved person has a further remedy, if the trespass is likely to be continued, in the shape of an injunction (*qv*), and disobedience to an order forbidding the trespass renders the trespasser liable to imprisonment if the trespass is continued. Except in so far as there is a liability to imprisonment for contempt, as just mentioned, after an injunction has been obtained, there is no virtue in the notice "trespassers will be prosecuted." For a simple trespass there can be no criminal proceedings; but this does not apply to trespassing in pursuit of game, or mushroom gathering, or house-breaking. It is to be borne in mind that when a

landlord has demised certain premises to a tenant, the landlord is a trespasser (and may be sued for damages) if he enters in or upon the premises without the leave and licence of the tenant. So long as the tenancy exists, the tenant is the person entitled to keep off all intruders, even including his own landlord. It is for this reason that a lease or an agreement for a tenancy generally contains a clause empowering the landlord to enter in or upon the demised premises under certain conditions. As to the example suggested above, that shooting over another man's land without leave constitutes a trespass, this arises from the fact that the ownership of land is not confined to the surface, but extends to the sky and also to the centre of the earth. Legally, therefore, any interference with the air above the land constitutes a trespass, just as any removal of minerals underneath is a civil wrong, except that modern law does not view aviation as a trespass.

Trespass to goods consists in taking or injuring the property of another. The remedy is an order for the restoration of the goods, and damages for their detention. (See CONVERSION.) If the goods are taken feloniously, the trespass becomes a crime, and the delinquent is guilty of larceny.

Trespass to the person consists in a wrong whereby another is injured either in person or in reputation. The chief of these wrongs have been noticed under such headings as ASSAULT, FALSE IMPRISONMENT, MALICIOUS PROSECUTION, NEGLIGENCE.

An action for trespass to the person must be brought within four years. The period of limitation as to other trespasses is six years.

TRET.—(See TARE AND TRET)

TRIAL BALANCE.—A trial balance is a statement of balances standing in books of account kept on double entry principles, the balances on the debit side in total balancing with those on the credit side in total.

Theoretically, as double entry necessitates a debit entry for every credit entry, should the debit entries in the books be totalled, and the credit entries in the books be also totalled, the two results will be identical. The abstraction of balances only will produce a similar result, as "if equals be taken from equals the remainders are equal."

Constructing a Trial Balance. In practice the trial balance is prepared by abstracting the balances from the debit and credit ledgers separately, so giving the totals for sundry debtors and sundry creditors. These and the balances of cash at the bank and in hand, as per the cash book, are then brought into account together with the balances abstracted from the nominal and private ledgers.

Some business houses, however, take out the trial balance in compound form, *i.e.*, the totals and balances side by side. It has the advantage of revealing compensating errors, for the total of the debit column of the trial balance must then agree with the total of those subsidiary books that are posted to the debit of accounts in the ledger, and the total of the credit column of the trial balance must likewise agree with the total of those subsidiary books that are posted to the credit of accounts in the ledger. Where, after repeated attempts, the totals of the trial balance cannot be made to agree, the difference is, in practice, put temporarily to a special account entitled "Suspense Account," or "Error in Books," to await developments. But in a properly organised concern,

¹ If this blank be not filled in, the Bill will be paid to Bearer.

nothing short of an exact balance can be considered satisfactory

Trial Balance not an Absolute Proof. The trial balance is a proof only of the *arithmetical* accuracy of the postings, and even so, it is only *prima facie* evidence of such accuracy. Certain classes of mistakes, as under, are not shown by the trial balance prepared in the modern or simple form, *i.e.*, balances only—

(1) *Omission of Entries.* If both the debit and credit entries of a transaction have been omitted, the trial balance will not be affected, and will not therefore reveal the error

(2) *Compensating Errors.* If one account has been under or over debited or credited with a certain amount—say £20—and another account has been under or over debited or credited with the same amount, it will not prevent the agreement of the trial balance. Hence the error will not be revealed. Naturally, however, such a coincidence would not be of frequent occurrence

(3) *Mispostings of Accounts.* If £100 has been posted to the credit of R. Smith instead of to the credit of F. Smith, or if £50 has been debited to F. Brown instead of F. Rogers, such a mistake does not throw out the trial balance, and is not therefore disclosed by it

Common Errors in Trial Balances. The reason why the totals of many trial balances cannot be agreed at the first attempt is very often due to one of more of the following errors—

(1) *Debit* balances in the ledger have been entered in the *credit* column of the trial balance, and *vice versa*. This, however, would only happen where debtors and creditors were in one ledger.

(2) Balances missed in extracting lists of debtors or creditors

(3) Bad figures

(4) Errors in additions

(5) Allowances, etc., entered in personal accounts without coming from a returns book

(6) Reversal of figures £18 11s for £0 18s 11d, £7 9s 1d for £1 9s 7d, etc.

(7) The purchases book and sales book totals *not posted* to the purchases and sales accounts respectively

(8) The discount totals in the cash book either *not posted* to the discount account, or *misposted*, the sides being frequently reversed in error, owing to the general rule of reversing the sides of a cash book when posting to the ledger

(9) Cash and bank balances, as per the cash book, *omitted* from the trial balance, or entered in the *credit* column instead of the debit, an error caused by the balances on the credit side of the cash book not having been brought down to the debit side thereof

TRIAL OF THE PYX.—(See PYX)

TRINIDAD. The West Indian Islands of Trinidad and Tobago have, since January, 1899, formed a single British Crown colony. Trinidad, the most southerly of the West Indies, lies 10 miles from the coast of Venezuela, at the mouth of the Orinoco, and thus commands the approach to the Caribbean Sea from the south and the approach to the Orinoco from the north. The island is rectangular in shape, and has an area of 1,860 square miles, and a population of about 380,000. Physically, the island belongs to South America, its mountains continuing the Venezuelan system. Mountain chains border the north and south, but the surface, speaking generally, is level. On the west of the island lies the almost land-locked Gulf of Paria. The climate is hot and

damp; the annual rainfall averages over 60 in., and the mean annual temperature is about 80° F. Cocoa is the most important product. The sugar estates are largely controlled by capitalists. On the sandy shores of the southern and eastern coasts cocoa-nuts are produced in abundance. The tropical forests yield cedar, logwood, mahogany, balata, and many other hard and soft timbers. In the extreme south-west, the famous Pitch Lake of La Brea supplies asphalt in important quantities. Coolie labour under British superintendence is employed on the plantations. Railways are being extended in the island; at present they run from the capital, Port of Spain, to Sangre Grande, San Fernando, Tabaquite, and Princes Town. The chief exports are sugar, Angostura bitters, cocoa, asphalt, petroleum, cocoa-nuts, copra, bananas, oranges, cabinet woods, rum, and molasses; and the chief imports are cotton goods, flour, machinery, and hardware. The trade is principally with the United Kingdom, the United States, and Canada.

The chief trade centre is *Port of Spain* (68,000); it is well situated at the extreme north-east of the Gulf of Paria. Its harbour is well protected from the Atlantic trade winds, and it lies out of the range of the cyclonic area. It is considered one of the finest towns in the West Indies.

San Fernando (10,000), in the south-west, is a port and minor trade centre.

Tobago lies about 20 miles north-east of Trinidad. Its area is 114 square miles, and its population about 24,000. It is a hilly, volcanic island, and produces sugar, cocoa-nuts, tobacco, cotton, rubber, nutmegs, and live-stock. The small towns of *Scarborough*, the capital, and *Plymouth* are the chief trade centres.

Mails are despatched twice a month via Southampton, and also periodically via the United States if the letters are so marked. The time of transit is about fourteen days.

For map, see SOUTH AMERICA

TRINITROTOLUOL.—This is a powerful explosive, familiarly known as T.N.T., generally used with another explosive of a different class. It is sluggish and is brought to explosion by a powerful detonator.

TRINITY HOUSE.—In Section 742 of the Merchant Shipping Act, 1894 (57 and 58 Vic. c. 60), "The Trinity House" is defined as: "The Master, wardens, and assistants of the guild, fraternity, or brotherhood of the most glorious and undivided Trinity, and of St. Clement, in the Parish of Deptford, in the County of Kent, commonly called the Corporation of the Trinity House." It was an incorporation "of the chiefest and most expert mariners" made by Henry VIII in 1514; and had its original home at Deptford. A royal dockyard was established there about this time, and it was placed under the direction of the Corporation. At Deptford ships were also supplied with pilots, so that on Trinity House many duties were gradually laid and rights conferred.

The statute of 8 Eliz. c. 13 (1566), charged it "with the conduction of the Queen's Majesty's Navy Royal", and amongst its other duties included in this general direction was that of providing beacons, lights, and buoys for the navigation along the coasts. In the course of time its sphere has been restricted until it now is concerned chiefly with navigation as the principal lighthouse and pilotage authority for England, there being separate lighthouse authorities for Scotland and Ireland.

In 1604 the Trinity Brethren were divided into

Treasury bills an announcement for tenders appears in the "Gazette" and forms of tender may be obtained from the Bank of England. As the bills do not carry interest, they are tendered for at a discount.

The following is a specimen of a Treasury bill—

Due 18th March, 19..

" Treasury Bill

Per Acts 40 Vict. c. 2 & 52 Vict. c. 6

A

001706

£1,000

London, 18th Dec., 19..

THIS TREASURY BILL entitles¹

or order to payment of ONE THOUSAND POUNDS at the Bank of England out of the Consolidated Fund of the United Kingdom on the 18th day of March, 19..

TREASURY BONDS.—The same things as are Exchequer Bonds (*qv*)

TREASURY NOTES.—On the outbreak of war with Germany in 1914, the Treasury issued £1 and 10s notes to act as legal tender for any amount (See CURRENCY SYSTEM AFTER THE WAR)

TREASURY SOLICITOR.—This is an official who is nominated by Royal warrant under the provisions of the Treasury Solicitors Act, 1876. He is a corporation sole, and it is to him that the administration of intestates' estates is granted when the Crown becomes entitled to them as *bona vacantia*, *i.e.*, when the intestate has died leaving no next-of-kin who is entitled under the Statutes of Distribution (*qv*). The Treasury Solicitor is also the King's Proctor, and until 1908 he likewise occupied the position of Public Prosecutor.

TREPANG.—(See BÊCHE-DE-MER)

TRESPASS.—Generally speaking, trespass signifies an act which interferes with the rights of another person. It may, therefore, affect the land, the goods, or the person.

The word is most commonly used in respect to land, and it means any interference with the exclusive right of the owner or holder for the time being. Thus, it is a trespass for one person to walk upon the land of another without permission, or to enter another person's house, or to shoot over his land, etc. In the majority of cases trespass is a tort for which a civil remedy alone is provided. For example, A walks over B's land. If B feels aggrieved he may bring an action against A for damages, the amount of the damages being limited to the actual damage sustained. In many cases the damage will be extremely small; but the aggrieved person has a further remedy, if the trespass is likely to be continued, in the shape of an injunction (*qv*), and disobedience to an order forbidding the trespass renders the trespasser liable to imprisonment if the trespass is continued. Except in so far as there is a liability to imprisonment for contempt, as just mentioned, after an injunction has been obtained, there is no virtue in the notice "trespassers will be prosecuted." For a simple trespass there can be no criminal proceedings; but this does not apply to trespassing in pursuit of game, or mushroom gathering, or house-breaking. It is to be borne in mind that when a

landlord has demised certain premises to a tenant, the landlord is a trespasser (and may be sued for damages) if he enters in or upon the premises without the leave and licence of the tenant. So long as the tenancy exists, the tenant is the person entitled to keep off all intruders, even including his own landlord. It is for this reason that a lease or an agreement for a tenancy generally contains a clause empowering the landlord to enter in or upon the demised premises under certain conditions. As to the example suggested above, that shooting over another man's land without leave constitutes a trespass, this arises from the fact that the ownership of land is not confined to the surface, but extends to the sky and also to the centre of the earth. Legally, therefore, any interference with the air above the land constitutes a trespass, just as any removal of minerals underneath is a civil wrong, except that modern law does not view aviation as a trespass.

Trespass to goods consists in taking or injuring the property of another. The remedy is an order for the restoration of the goods, and damages for their detention. (See CONVERSION.) If the goods are taken feloniously, the trespass becomes a crime, and the delinquent is guilty of larceny.

Trespass to the person consists in a wrong whereby another is injured either in person or in reputation. The chief of these wrongs have been noticed under such headings as ASSAULT, FALSE IMPRISONMENT, MALICIOUS PROSECUTION, NEGLIGENCE.

An action for trespass to the person must be brought within four years. The period of limitation as to other trespasses is six years.

TRET.—(See TARE AND TRET)

TRIAL BALANCE.—A trial balance is a statement of balances standing in books of account kept on double entry principles, the balances on the debit side in total balancing with those on the credit side in total.

Theoretically, as double entry necessitates a debit entry for every credit entry, should the debit entries in the books be totalled, and the credit entries in the books be also totalled, the two results will be identical. The abstraction of balances only will produce a similar result, as "if equals be taken from equals the remainders are equal."

Constructing a Trial Balance. In practice the trial balance is prepared by abstracting the balances from the debit and credit ledgers separately, so giving the totals for sundry debtors and sundry creditors. These and the balances of cash at the bank and in hand, as per the cash book, are then brought into account together with the balances abstracted from the nominal and private ledgers.

Some business houses, however, take out the trial balance in compound form, *i.e.*, the totals and balances side by side. It has the advantage of revealing compensating errors, for the total of the debit column of the trial balance must then agree with the total of those subsidiary books that are posted to the debit of accounts in the ledger, and the total of the credit column of the trial balance must likewise agree with the total of those subsidiary books that are posted to the credit of accounts in the ledger. Where, after repeated attempts, the totals of the trial balance cannot be made to agree, the difference is, in practice, put temporarily to a special account entitled "Suspense Account," or "Error in Books," to await developments. But in a properly organised concern,

¹ If this blank be not filled in, the Bill will be paid to Bearer.

survival into modern times of the barbarous method of barter; and, like that method, it unduly oppresses the "weaker" bargainer. The great instrument in freeing England from serfdom was the gradual substitution of a money economy for payments in kind, the most decisive mark of a highly developed society is the possession of an abundant supply of the means of exchanging goods and services. The farm labourer's wages are, no doubt, really a share in the farmer's corn, cattle, and hay. It would, however, entail on him much trouble and loss if he were to obtain his share in kind, and either find a purchaser for it or consume it himself. By receiving coins instead, he obtains a kind of ticket which enables him to pay at any shop he pleases for a certain value of any commodity he chooses. The Devonshire workman who received as payment for his services a quantity of the cider he assisted in making, was but poorly paid: he could hardly possess much skill as a merchant so as to dispose of it to advantage, and the personal consumption of it would do him less good than the consumption of an equivalent value of bread, or clothes, or housing. Payment in money instead of in cider is an altogether unmixed boon.

In some cases it is quite impossible for an employer to divest himself of all thought for his workpeople once he has fulfilled the wages contract. He may have established his undertaking in a spot undeveloped till he selected it. Unless he supplied the workers with the necessaries of life, unless he founded stores where wholesome articles could be obtained at reasonable rates, unless he himself provided housing accommodation, the fact that he punctually and fully paid the stipulated wage would not make him quit of his obligations towards those he employed. More especially is this the case when the industry is a temporary one, so that independent shops cannot be established, when, for instance, a number of workers are recruited for the building of a bridge or the cutting of a canal. Some employers, indeed, have so keen a sense of their obligations, that they have provided temporary schools and teachers for the children of their workmen, and even in some cases chaplains to minister to their spiritual needs. The care for his workers shown by a judicious and thoughtful employer may, without loss to him, be of the greatest gain to them, their real wages will be much higher than their nominal or money wages.

But unless the workman may at his pleasure deal elsewhere than at the places provided by the employer, the system is clearly susceptible of grave abuses. In a highly developed society, in which there exists no reason why the employer should constitute himself a universal provider, it usually means that he is trying by the Truck system to get back some portion of what he has nominally paid away as wages. The real reward of the worker is less than the nominal reward. An instance is on record of employers who bought theatre tickets cheaply and compelled their workmen to buy them at full price. The hiring out of machinery at extravagant rents; the compulsion to spend a great part of wages earned at shops under the management of the employer or of his agents; the deduction from wages of an "allowance" of drink; these and other instruments of oppression have pillaged the worker for the profit of his employer. "The influence," says Professor Marshall, "of the system for evil in the past has been so great, that it may rank with the old poor law and the unhealthy

conditions of juvenile labour early in the last century as a chief cause of the degradation of large numbers of the working classes."

So much is this felt, that it may be regarded as a rule that where society tolerates any failure on the part of the employer to meet the wage contract fully and directly, there is indicated a low stage of industrial development. The essence of the wage system is that the worker knows beforehand exactly what amount of the coin of the realm he shall receive, and when he shall receive it; the employer takes on his own shoulders any risk that the produce may fail to realise the anticipated price. Wages are a first charge on the employer, and they must be paid directly to the workman. No person, for instance, may have recourse to the employer for payment of a debt out of wages due to the workman, and having obtained his wages, the workman may deal with them as he pleases. It is good neither for the community nor for the individual that one man should live in a state of perpetual dependence on another. Subordination too readily becomes mean subservience.

In our country the laws enacted in the interests of workers afford adequate protection against all except the more subtle kinds of "Truck." In the case of the latter kinds, which include fines for bad work or damaged goods, and for acts or omissions which may cause loss or damage, further legislation may be necessary before the shop assistant, for instance, is sufficiently shielded from abuse. A Departmental Committee in 1906 indicated directions in which the existing law could with advantage be amended, and a Bill introduced by the Home Secretary in 1909 embodied the suggestions; but owing to the exigencies of Parliamentary time, it had to be included in "the slaughter of the innocents."

The main law on the subject is that of 1831. It sought to enforce two chief provisions. The lack of effective means of ascertaining that the law was carried out rendered it nugatory in numberless cases, but the grossest abuses were prevented, and the force of public opinion gradually created a more satisfactory state of things. The purport of the Act was—

(1) The reward of labour must be paid only in current coin of the realm; whole or part payment of wages in food, or drink, or clothes, or any other article was prohibited.

(2) It forbade agreements, express or implied, between employer and workman as to the manner or place in which, or articles on which, a workman should expend his wages, or for the deduction from wages of the price of articles—other than materials to be used in the labour of the workman—supplied by the employer.

An Act of 1874 was directed against a particular and especially mean abuse. In the hosiery manufacture many employers charged the workman exorbitant rents for the machinery and weaving frames, that is, mulcted him of a portion of his wages because he had not himself the indispensable implements for doing the work. This the Act forbade.

An amending Act of 1887 definitely set up a machinery to see to the carrying out of the "Truck" Acts. The inspectors of the Home Office were authorised to prosecute defaulting employers and recover penalties. The Act made it illegal for an employer to charge interest on an advance of wages, "whenever by agreement, custom, or otherwise, a workman is entitled to receive in anticipation of

the regular period of the payment of his wages an advance as part or on account thereof." It secured "a workman, suing an employer for wages, against any counterclaim in respect of goods supplied to the workman by any person under any order or direction of the employer." It prohibited an employer "from dismissing any workman on account of any particular time, place, or manner of expending his wages."

The amending and extending Act of 1896 was the occasion of a memorandum from the Home Office as to the scope of the Acts. "They apply to all places where workpeople are engaged in manual labour under a contract with an employer, whether or no the employer be an owner or agent or a parent, or be himself a workman; and, therefore, a workman who employs and pays others under him must also observe the Truck Acts." They apply, therefore, to sub-contractors. The Act was especially directed against the abuse of a system of "fines" deducted from wages. Deductions must be fair and reasonable, "having regard to all the circumstances of the case." The employer must not make a profit from the fines imposed, whether for omissions or for acts causing loss or damage, or for bad work or damaged goods. A register open to the inspection of the Home Office inspector must be kept of all payments deducted from wages, and the specific reasons for the deduction must be given to the workman.

The payment of wages to the workman in money is further secured by the law which prevents their being attached to satisfy a judgment. So, likewise, if a company is bankrupt, the claims of workmen for wages are preferred before all other claims—even those of the debenture holders.

TRUFFLES.—Underground fungi, of which the edible species are used as flavouring agents in cookery. In colour they are usually black or pinky white. They are generally found under oak, birch, beech, and chestnut trees; and dogs or pigs are trained to scent them out. They grow plentifully in France, which does a large export trade in this article.

TRUST.—(See TRUSTEE.)

TRUST DEED.—This is a deed by which property is conveyed to a trustee or trustees. The two most common forms are (1) that in which property is conveyed by a debtor who is insolvent, with the acquiescence of his creditors, for an equitable division of his assets amongst his creditors, without the publicity and expense of going through the Bankruptcy Court (see DEED OF ARRANGEMENT), and (2) that in which the property of a joint stock company is secured for the benefit of the debenture holders. (See TRUST DEED FOR DEBENTURES.)

TRUST DEED FOR DEBENTURES.—When debentures are issued by a joint-stock company (see DEBENTURES), the charge which is given over the property of the company, to secure repayment of the money lent by the debenture holders, may be created either by the debentures themselves or by a separate trust deed. The latter method is, perhaps, the more common form, and is generally considered the better security. When there is such a trust deed, the company's property is thereby vested in trustees on behalf of the debenture holders, and power is given therein to the trustees, upon the occurrence of certain events, to enter into possession of the property and to realise the same for their benefit. It is much more convenient for

the debenture holders to have two or three trustees to protect their interests, than for the debenture holders themselves to do so.

Every debenture holder has the right (upon payment of a certain sum) to be supplied with a copy of any trust deed. The deed must be registered in the company's register of mortgages and particulars delivered to the registrar of companies.

TRUSTEE.—A trustee is a person who is entrusted with certain property in order that he may deal with it in accordance with directions that are contained in a trust deed creating a trust, i.e., according to the wishes of the creator of the trust. In practice it is a rare thing for one trustee only to be appointed, unless it is a trust deed of arrangement for the benefit of creditors, and provision is made in the majority of cases for the appointment of a new trustee or of new trustees when the number falls below two; and under the Trustee Act, 1893, the court has power to appoint new trustees whenever it is found inexpedient or impracticable to appoint them without the assistance of the court. The beneficiary under a trust is called the *cestui que trust*. If there are more beneficiaries than one they are called *cestuis que trustent*.

The present article deals with trustees in general. The special officials, viz., the judicial trustee and the public trustee, are noticed under separate headings.

Trusts in England owe their origin to the ingenuity of the ecclesiastics, who were constantly at work to nullify the statutory enactments made to prevent the tying-up of real property. It is, however, unnecessary to treat of trusts from the historic standpoint. They were in existence at a very early date, and trustees have been under the control of the Chancery Division of the High Court, or what was its predecessor in legal procedure, since the reign of Richard II. This long control of Chancery has had this effect, that the law relating to trusts and trustees is almost entirely judge-made law, varied and extended to some extent by statutes of modern date, notably the Trustee Act, 1893.

A trust is created when a person by deed divests himself of certain property and hands it over to trustees for the benefit of himself or some other person or persons. And unless there is some clause in the deed to the contrary, the creator of the trust has no further claim upon the property at any time. His legal right to the same has gone—it has been transferred to the trustees. And unless he has named himself as one of the beneficiaries, his equitable right has also gone—that is now in the *cestui que trust* or *cestuis que trustent*, as the case may be. Similarly, a testator may create a trust by his will, and as great latitude is given to testators in respect of the expressions used in their testamentary documents, a trust may be created by will in a much less formal manner than it can be created by a deed.

In general, trustees are appointed by the deed or the will creating the trust, and it is always advisable, for the sake of saving expense, that provision should be made in the deed or the will as to who is to have the power of appointment of a new trustee or of new trustees when one (or both) dies or wishes to retire from the trust. Any person may be a trustee—male or female, infant or adult, alien or natural-born—though it is not

advisable to appoint an infant a sole trustee, seeing that there may be important duties to perform, which cannot be carried out by him so long as he is a minor. Of course this might arise by inadvertence, and then the court would, upon application being made, nominate a person to act as trustee in the place of the infant until the minority came to an end.

It is always advisable that the testator or the creator of the trust, if it is by deed, should ascertain beforehand whether the proposed trustees are willing to act. Although any person may be named, he is never compelled to act, any more than an executor is compelled to take upon himself the administration of an estate, even when he is named by the testator. But if he once interferes with the trust property, or does any act in connection with the trust, he cannot divest himself of his position until he has been discharged or finally released. If he does not wish to act, although named, he should disclaim the position at the earliest opportunity. Though not strictly necessary, it is always advisable that the disclaimer should be in writing.

The choice of trustees is not always an easy matter, especially as great responsibilities may attach to the position, particularly when the trusts are of a complex character. Some trustees are inclined to favour the beneficiaries at the expense of the trust fund; others are of an opposite nature, and cause trouble and expense on every possible occasion. The person to seek is one who will carry out the terms of the trust with the utmost strictness, but who will, nevertheless, put no obstacles in the way of doing anything which can be beneficial to the trust estate generally—in fact, who will take some personal interest at least in the matter. For it must not be overlooked that many acts are now permitted, by leave of the court, for the benefit of the beneficiaries or of the estate, which would not have been tolerated in olden times. The ideal trustee is the person who will put no unnecessary obstacles in the way of aiding his *cestui que trustent*. It has been said: "The best persons to be appointed trustees are men of substance and position, friends of the family and interested in their welfare, but not very closely connected. Of such persons (if they are to be found) it is desirable to appoint three when the property is considerable, and two where it is of moderate compass. Even where the property is small it is, as a rule, highly inexpedient to appoint a sole trustee." It is, of course, obvious that a sole trustee, having the legal estate, might easily dispose of the whole and leave the beneficiaries beggars. The chance of criminal proceedings against a fraudulent trustee is a small consolation to ruined individuals.

The first duty of trustees is to reduce the subject matter of the trust into their possession, and if it consists of insured securities, to have them transferred into their joint name, and they must take the same care of the trust estate as they would be expected to take if it was their own, and they must themselves do such acts as a man would usually himself do in business. But they are justified in delegating to professional people such work as is in the ordinary course of business committed to such people, for example, the sale and the receipt of the purchase money of stocks and shares to brokers, the sale and the receipt of the deposit of the purchase money of land to auctioneers, and

the receipt of the purchase money of land to solicitors.

Trust money must be invested by the trustees in accordance with the directions contained in the trust instrument, and in default of such directions investments must be made in those securities which are permitted by law. (See *TRUSTEE SECURITIES*.) Upon these the advice of a competent broker should always be taken.

Trustees must always act without remuneration for their services (except purely personal expenses) unless there is some special provision made to the contrary. Seeing, then, that they act without reward and are liable, in many cases, for mistake as well as for a wilful breach of trust, it is unwise on their part to incur any risks when they can possibly avoid doing so. Should any difficulty arise, application ought to be made at once to a judge of the Chancery Division of the High Court for direction. This can be effected quite promptly and inexpensively at the cost of the trust estate by means of an originating summons (*qv*). If the opinion of the judge is acted upon, this will indemnify the trustees completely.

There is an idea commonly prevalent that there may be one acting trustee and that the other or the others may be dormant. This is entirely erroneous. A trustee who stands by and permits his co-trustee to commit an act of malversation incurs the same liability as though he had actually taken part in the wrong doing.

When it is a large landed estate which is held in trust for an infant, the trustees have heavy duties of management thrown upon them. These duties must be properly carried out, and for that purpose an agent or agents may be appointed whose remuneration will be paid out of the rents and profits arising from the estate. When leases have to be granted, application must be made to a judge of the Chancery Division of the High Court.

If the property consists of money, it is necessary, as above stated, that it should be invested as quickly as possible. This cannot always be accomplished at once, and it is then the proper course to deposit it with a banker. But money must not be left with a bank for an indefinite period. It is provided by section 17, sub-sections 2 and 3 of the Trustee Act, 1893—

"(2) A trustee may appoint a banker or solicitor to be his agent to receive and give a discharge for any money payable to the trustee under or by virtue of a policy of assurance, by permitting the banker or solicitor to have the custody of and to produce the policy of assurance with a receipt signed by the trustee, and a trustee shall not be chargeable with a breach of trust by reason only of his having made or concurred in making any such appointment.

"(3) Nothing in this section shall exempt a trustee from any liability which he would have incurred if this Act had not been passed, in case he permits any such money, valuable consideration, or property to remain in the hands of or under the control of the banker or solicitor for a period longer than is reasonably necessary to enable the banker or solicitor (as the case may be) to pay or transfer the same to the trustee."

It is improper for one trustee to receive the dividends arising out of trust funds on behalf of himself and his co-trustees. But it is often very inconvenient to have to send dividend warrants and cheques to all the trustees for indorsement

[FACSIMILE OF DEED APPOINTING NEW TRUSTEES]

(N.B. The present form has reference to new trustees of wills.)

This Indenture made the first day of January One thousand nine hundred and
BETWEEN John Jones of White House Longport in the County of Blankshire gentleman (hereinafter
called the appointor) of the first part Thomas Smith of Red House Shortport in the County of White-
shire gentleman of the second part Alfred Brown of Strong Hill Aston in the county of Whiteshire
solicitor and Andrew White of Albaston Hall Aston in the County of Whiteshire of the third part and
the said Thomas Smith Alfred Brown and Andrew White of the fourth part :

Whereas Solomon Isaacs (deceased) made his Will dated the 10th day of December 18 . and
thereby after appointing David Carr Daniel Abrahams (both deceased) and the said Thomas Smith
(hereinafter called the Original Trustees) to be his executors and trustees and after bequeathing certain
legacies (since satisfied) devised and bequeathed to the Original Trustees all his real estate and the
residue of his personal estate upon trust to sell the real estate (including chattels real) and to call in
sell and convert into money such part of his personal estate as should not consist of money (with
power to postpone sale) And out of the money arising thereby and out of his ready money to pay his
funeral and testamentary expenses and debts and legacies and to invest the residue of the said money
in any of the investments thereby authorised (with power to vary investments) And to stand pos-
sessed of the investments thereby directed to be made or authorised to be retained and the invest-
ments for the time being representing the same Upon the trusts therein mentioned And the said
Will contained a power for the Appointor during his life to appoint a new trustee or new trustees
thereof :

And whereas the testator died on the 12th day of January 19 . without having revoked or
altered his said Will which was on the 5th day of April 19 . duly proved at the Probate Registry
by the executors therein named :

And whereas the Original Trustees sold all the real estate of the said testator and converted
so much of his personal estate as did not consist of ready money or of authorised investments and
thereout and out of his ready money paid his funeral and testamentary expenses and debts and
legacies and the death duties payable on his death and invested the residue of the proceeds of such
sales and conversion and of his ready money in manner directed by his said Will :

And whereas the said David Carr died on the 1st day of April 18 . and the said Daniel
Abrahams died on the 12th day of November 19 . :

And whereas the residuary estate of the said testator is now represented by the investments
mentioned in the Schedule hereto standing in the name of the said Thomas Smith :

And whereas the Appointor is desirous of appointing the said Alfred Brown and Andrew
White to be trustees of the recited Will in the place of the said David Carr and Daniel Abraham
(both deceased) :

And whereas it is intended that so soon as practicable the investments mentioned in the
Schedule hereto shall (after raising and paying thereout the costs of and incidental to the preparation
and execution of these presents) be transferred into the joint names of the said Thomas Smith Alfred
Brown and Andrew White :

Now this Indenture Witnesseth as follows :

1. FOR effectuating the aforesaid desire and in exercise of the power for this purpose conferred upon him by the recited Will and the Trustee Act 1893 and of all other powers the Appointor hereby appoints the said Alfred Brown and Andrew White to be trustees of the recited Will of the said Solomon Isaacs (deceased) in the place of the said David Carr and Daniel Abrahams (both deceased) and to act jointly with the said Thomas Smith for all the purposes thereof :

2. The Appointor hereby declares that the hereditaments mentioned in the first part of the Schedule hereto and all other (if any) the hereditaments now subject to the trusts of the recited Will and that all chattels and also the right to recover and receive all debts and other things in action subject to the trusts of the recited Will shall forthwith vest in the said Thomas Smith Alfred Brown and Andrew White as trustees of the recited Will and as joint tenants for the purposes and upon the trusts thereof.

In Witness whereof the parties beforementioned have hereunto set their hands and seals on the day of the year above mentioned

JOHN JONES

L.S.

THOMAS SMITH

L.S.

ALFRED BROWN

L.S.

ANDREW WHITE

L.S.

SCHEDULE.

(Here set out the investments.)

(N.B.—Though not strictly necessary, it is always advisable to have each signature witnessed.)

A middle course is frequently adopted. The trustees give a power of attorney in the case of consols, and a written authority in other cases for their own bankers to receive the dividends as they become due from the Bank of England and the companies whose debentures, stocks, or shares such trustees hold. Their bankers then place the dividends to the account of the trustees. When there is only one *cestui que trust*, for instance, a tenant for life, the trustees also give their bankers authority to honour his cheques to the amounts so paid in to their account, but where there are numerous *cestuis que trustent* cheques must, of course, be drawn to each of them separately for the purpose of distribution.

Unless there is some direction to the contrary, the trustees can always apply the whole or any portion of the income arising from trust property for the purpose of the maintenance, education, and benefit of an infant beneficiary, and may pay the same over to his parents or guardians. Any unapplied portion of the income must be invested. This is entirely in keeping with the object of a trust. The main idea is to preserve the *corpus* intact. The interest can be applied in various ways, and if there is any difficulty, the court will, upon application, settle the whole affair.

By section 10 of the Trustee Act, 1893—

"(1) Where a trustee, either original or substituted, and whether appointed by a Court or otherwise, is dead, or remains out of the United Kingdom for more than twelve months, or desires to be discharged from all or any of the trusts or powers reposed in or conferred on him, or refuses or is unfit to act therein, or is incapable of acting therein, then the person or persons nominated for the purpose of appointing new trustees by the instrument, if any, creating the trust, or if there is no such person, or no such person able and willing to act, then the surviving or continuing trustees or trustee for the time being, or the personal representatives of the last surviving or continuing trustee, may, by writing, appoint another person or other persons to be a trustee or trustees in the place of the trustee dead, remaining out of the United Kingdom, desiring to be discharged, refusing, or being unfit or being incapable, as aforesaid.

"(4) The provisions of this section relative to a trustee who is dead include the case of a person nominated trustee in a will but dying before the testator, and those relative to a continuing trustee include a refusing or retiring trustee, if willing to act in the execution of the provisions of this section."

On the appointment of a new trustee, the number of trustees may be increased.

A *cestui que trust* should never be appointed a trustee of the fund of which he is a beneficiary, nor a husband trustee for his wife, for the interest of a trustee should not conflict with his duty, and a person who has the power of appointing a new trustee may not nominate himself—for a man himself is not a proper judge of his own qualifications for the office. A trustee may retire if there are two or more trustees continuing, but he cannot do so leaving the trust fund in the hands of one trustee. Another must be appointed in his place so as to make the number at least two, though that number may be increased.

As already stated, trustees may charge the estate with all expenses properly incurred by them in the administration of the trust, but otherwise they

must take no advantage, directly or indirectly. Thus, a sale of property to a trustee is always looked upon with suspicion and is likely to be impeached. Again, if trustees deal in any way with the money of their beneficiaries, they are accountable for all profits made as well as being liable for any loss sustained. There should be no mixing of trust funds with any other moneys, for, in case of difficulties, it is the general rule that everything will be presumed against the trustee.

In order to lighten in some respects the heavy burdens resting upon trustees through judicial decisions, several statutes have been passed in recent years for their benefit, the more important being the Trustee Acts of 1893 and 1896. But prudent trustees will not place blind reliance upon these Acts. They are only in favour of the trustees who act scrupulously and honestly in the administration of the trust, and give no real aid to those who, however anxious they may appear to be to assist the beneficiaries, act regardless of the directions set out in the trust instrument. A trustee should never depart from this golden rule. Carry out strictly the terms of the trust and in any case of real doubt settle the question by applying to the Court. If trustees fail to agree and the friction becomes very great, the trustee who disapproves of any contemplated breach of trust, or of what he suspects is likely to be construed as a breach of trust, should take steps to have the trust funds paid into Court and to free himself from the trust.

When all the purposes for which a trust was created have been fulfilled, and before a final distribution of the property is made, the trustees should submit their accounts to the beneficiaries, and obtain a formal release from them. They are entitled to have this given to them at the expense of the trust estate. The release should set out all that has been done in respect of the estate, and should be by deed.

A trustee of any property, whether for the use or the benefit of a private person, or for any public or charitable purpose, is liable to be convicted of a misdemeanour and sentenced to penal servitude if he is found guilty of converting or appropriating any part of the trust property to his own use and benefit. No prosecution, however, can be instituted without the consent of the Attorney-General.

TRUSTEE IN BANKRUPTCY. (See also ACCOUNTS OF TRUSTEE.)—A "trustee in bankruptcy" is one who is appointed by or on behalf of the creditors of a bankrupt, in order to collect the assets and administer the estate. The position, etc., of a trustee in bankruptcy may be conveniently discussed under the following heads—

(a) Appointment of trustee; (b) remuneration, (c) control over the trustee; (d) vesting of property in trustee; (e) title of trustee; (f) realisation of property by trustee; (g) powers of trustee in dealing with bankrupt's property; (h) release, resignation, and dismissal.

(a) **Appointment of Trustee.** The trustee may be appointed either by the creditors or by the Board of Trade. After a debtor has been adjudged bankrupt, or the creditors have resolved that he be so adjudged, they may, by ordinary resolution, either appoint some fit person, whether a creditor or not, to be trustee, or they may resolve to leave his appointment to the committee of inspection. (See COMMITTEE OF INSPECTION.) They may, if they think fit, appoint more persons than one to the office of trustee, and may also appoint persons to

act as trustees in succession in the event of one or more of the persons first named declining to accept the office of trustee, or failing to give security, or not being approved of by the Board of Trade. The trustee must give security to the satisfaction of the Board of Trade. That body, if satisfied with the security, must approve the appointment, unless it has not been made in good faith by a majority in value of the creditors voting, or unless the person appointed is not fit to act as a trustee, or his connection with or relation to the bankrupt or his estate, or any particular creditor, makes it difficult for him to act with impartiality. The fact that a man had been previously removed from the office of trustee in bankruptcy for misconduct would be sufficient to prevent his being appointed. If the Board of Trade object to the appointment of a particular trustee, the matter may be referred to the High Court. The official receiver acts as trustee until the proper trustee is appointed, during any vacancy in the office in small bankruptcies, and in the administration of the estate of a deceased insolvent. If the creditors do not appoint a trustee within four weeks of the adjudication, or in the event of negotiations for a composition or scheme being pending at the end of those four weeks, then within seven days from the close of those negotiations, the official receiver must report the matter to the Board of Trade. The Board must thereupon appoint some fit and proper person to be trustee, and must certify his appointment. The appointment of a trustee by the Board may, however, be purely temporary, for the creditors (or the committee of inspection, if so authorised) may at any subsequent time themselves appoint a trustee. Upon such appointment being made and certified, the person appointed by the Board of Trade is supplanted.

If the office of trustee becomes vacant, the creditors may appoint a person to fill the vacancy, and thereupon the same proceedings are taken as in the case of a first appointment. The official receiver summons the necessary meeting, and if the creditors do not within three weeks appoint a person to fill the vacancy, the Board of Trade may do so.

(b) **Remuneration.** Where the creditors appoint any person to be trustee, his remuneration (if any) is fixed by an ordinary resolution, or, if the creditors so resolve, by the committee of inspection. It is in the nature of a commission or percentage, of which one part is payable on the amount realised (*i.e.*, the amount realised by the trustee) after deducting any sums paid to secured creditors out of the proceeds of their securities, and the other part on the amount distributed as dividend.

It must be made clear by the resolution what is included in remuneration, for no liability can attach to the bankrupt's estate or to the creditors in respect of any expenses which the remuneration is expressed to cover. In voting the remuneration of the trustee, the creditors or the committee, as the case may be, must distinguish between the commission or percentage payable on the amount realised, and the commission or percentage payable on the amount distributed in dividend. Where the resolution has been passed and the trustee has done work under it, neither the creditors nor the committee can reduce the remuneration simply by another resolution. A trustee cannot accept from the bankrupt or any person employed about a bankruptcy, any gift, or benefit beyond his ordinary

remuneration, nor can he give up any part of his remuneration to the bankrupt or any person employed about a bankruptcy. If one-fourth in number or value of the creditors dissent from the resolution as to remuneration, or the bankrupt satisfies the Board of Trade that the remuneration is unnecessarily large, the Board must fix the amount of the remuneration.

If the trustee acts without remuneration, he is allowed expenses incurred by him out of the bankrupt's estate, and if he is a solicitor, he may contract that the remuneration for his services as a trustee shall include all professional services. In that case, however, his remuneration must still be in the nature of a commission or percentage.

Acting as "the trustee of the property of A. B., a bankrupt," the trustee may hold property, make contracts, sue and be sued, enter into engagements binding on himself and his successors, and do all other acts necessary in the execution of his office. He must have regard to any directions given by the creditors at any general meeting or by the committee of inspection. He may summon general meetings of the creditors for the purpose of ascertaining their wishes, and must summon meetings at such times as the creditors by resolution, either at the meeting appointing the trustee or otherwise, may direct, or whenever requested in writing to do so by one-fourth in value of the creditors. He may apply to the court for directions in relation to any particular matter arising under the bankruptcy. Application to the court should not, however, be lightly made, as the estate may have to pay costs if the application is abortive, and if the assets are insufficient, the trustee may be made personally responsible. Where the trustee, in the exercise of his discretion, refuses to take legal proceedings for the assertion of his rights as trustee of the bankrupt's property, a creditor on giving an indemnity may be allowed to do so in his name. Subject to the provisions of the Bankruptcy Act, the trustee must use his own discretion in the management of the estate and its distribution among the creditors.

(c) **Control over the Trustees.** If the bankrupt, or a creditor, or other person is aggrieved by an act or decision of the trustee, he may apply to the court, and the court may make such order as it thinks just. Again, if the Board of Trade is of opinion that any act done by a trustee, or any resolution passed by a committee of inspection, should be brought to the notice of the creditors, for the purpose of being reviewed or otherwise, the official receiver may summon a meeting of creditors to consider the same. The expenses of summoning such meeting must be paid by the trustee out of any available assets under his control.

The Board of Trade takes cognisance of the conduct of trustees, and in the event of any trustee not faithfully performing his duties, or in the event of any complaint being made by any creditor in regard thereto, the Board must inquire into the matter, and take such action thereon as may be deemed expedient.

The Board may require any trustee to answer any inquiry made by them in relation to any bankruptcy in which he is engaged, and may apply to the court to examine on oath the trustee or any other person concerning the bankruptcy, and may also direct a local investigation to be made of his books and vouchers.

(d) **Vesting of Property in Trustee.** Until a

trustee is appointed, the official receiver is the trustee for the purposes of the Bankruptcy Act; and immediately on a debtor being adjudged bankrupt, the property of the bankrupt vests in the official receiver.

On the appointment of a trustee, the property forthwith passes to and vests in the trustee so appointed.

The property of the bankrupt passes from trustee to trustee, and vests in the trustee for the time being during his continuance in office, without any conveyance, assignment, or transfer whatever.

The certificate of the appointment of a trustee is deemed in law to be a conveyance, or assignment of property, and may be registered, enrolled, and recorded accordingly.

(e) **Title of Trustee.** The important question: When does the trustee's title begin? must next be considered. It is manifest that to fix the day for the commencement of the trustee's title with absolute certainty would be to open the door to fraud. For instance, if it was the date of the receiving order, a debtor who was about to file his own petition might easily divest himself of his property before that day. To prevent any such fraud, the legislature has provided that the trustee's title to the bankrupt's property shall accrue at the date of the bankruptcy. Thus the bankruptcy of a debtor, whether the same takes place on his own petition or upon that of a creditor or creditors, shall be deemed to have relation back to, and to commence at the time of, the act of bankruptcy being committed on which a receiving order is made against him, or, if the bankrupt is proved to have committed more acts of bankruptcy than one, to have relation back to, and to commence at, the time of the first of the acts of bankruptcy proved to have been committed by the bankrupt within three months next preceding the date of the presentation of the bankruptcy petition; but no bankruptcy petition, receiving order, or adjudication shall be rendered invalid by reason of any act of bankruptcy anterior to the debt, of the petitioning creditor. It follows from this that, subject to certain exceptions, the trustee may claim property which becomes due to the debtor after the date of the act of bankruptcy. Again, persons who continue to deal with and receive money from the debtor may find themselves compelled to refund that money to the trustee.

Where a receiving order is made in a small bankruptcy (see **SMALL BANKRUPTCIES**), the bankruptcy relates back to and commences at the date of the order, unless the debtor is proved to have committed any previous act of bankruptcy. In that case the bankruptcy relates back to and commences at the time of the first of the acts of bankruptcy committed by the debtor within three months next preceding the date of the order. There are certain exceptions to the doctrine of relation back. Thus, if a creditor has completed an execution before the receiving order and before notice of a petition or of an available act of bankruptcy, he may retain the proceeds thereof against the trustee. (See **EXECUTION CREDITOR**.) Again, a person dealing with the bankrupt before the date of the receiving order, for valuable consideration and without notice of an act of bankruptcy, is protected. (See **PROTECTED TRANSACTIONS**.) Solicitors who are consulted by a prospective bankrupt are also protected. Thus, if a debtor pays ready money to a solicitor in order to defray the necessary legal expenses which

may be incurred in opposing a petition, the trustee cannot make the solicitor refund the money.

But the exception will only apply to the case of ready money paid over, and not to money in the hands of the solicitor or agent, and a payment made by the bankrupt to an accountant for work done with a view to a composition arrangement which was not completed, was held not good against the trustee. Finally, the trustee has a discretion to adopt and pay for such of the services rendered as may have been useful to the creditors, but he must be very strict in doing so, and must go through the items, only paying for those he is clearly satisfied have been so rendered that a benefit has resulted to the creditors.

(f) **Realisation of Property by Trustee.** The trustee must take possession of the deeds, books, and documents of the bankrupt, and all other parts of his property capable of manual delivery. In this regard he is in the same position as if he were a receiver of property appointed by the High Court; and the court may, on his application, give him power to acquire and retain property. No one can, as against the trustee, withhold possession of, or set up any lien on, books of account belonging to the debtor. If part of the property consists of stocks, shares in ships, shares or any other property transferable in the books of any company, office, or person, the trustee may exercise the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt. If the bankrupt owns property of copyhold or customary tenure, or any like property passing by surrender and admittance, or in any similar manner, the trustee need not be admitted to the property, but may deal with it in the same manner as if it had been capable of being and had been duly surrendered or otherwise conveyed to such uses as the trustee may appoint, and any appointee of the trustee must be admitted to or otherwise invested with the property accordingly.

Any treasurer, banker, attorney, or agent of a bankrupt must pay and deliver to the trustee all moneys and securities in his possession or power as such officer, banker, attorney, or agent, which he is not by law entitled to retain as against the bankrupt or the trustee. If he does not, he is guilty of contempt of court.

(g) **Powers of Trustee in Dealing with Bankrupt's Property.** The trustee can exercise certain powers in relation to the bankrupt's property without the authority of the creditors or the committee of inspection. He may—

- (1) Sell all or any part of the property of the bankrupt (including the goodwill of the business, if any, and the book debts, due or growing due to the bankrupt) by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels.
- (2) Give receipts for any money received by him, which receipts shall effectually discharge the person paying the money from all responsibility in respect of the application thereof.
- (3) Prove, rank, claim, and draw a dividend in respect of any debt due to the bankrupt;
- (4) Paying due regard to the wishes of the creditors, execute powers of attorney, deeds, or other instruments for the purpose of carrying into effect the provisions of the Bankruptcy Act; and
- (5) Deal with any property to which the bankrupt is beneficially entitled as tenant in tail in the

same manner as the bankrupt might have dealt with it.

He may not, nor may any member of the committee of inspection, while acting as trustee or member of such committee, except by leave of the court, either directly or indirectly, by himself or any partner, clerk, agent, or servant become purchaser of any part of the estate. Such purchase may be set aside by the court. A sale to a brother and alleged partner of the trustee has also been set aside under this rule.

Subject to his obtaining the consent of the committee of inspection, in each instance the trustee exercises certain powers. Thus he may—

(a) Carry on the business of the bankrupt so far as may be necessary for the beneficial winding-up of the same. It is to be observed that creditors cannot insist on an immediate sale unless some particular damage can be proved, and where a majority of creditors desire to carry on the business, their resolution is not binding on the minority, who may apply to the court to have the resolution declared invalid;

(b) The trustee may also bring, institute, or defend any action or other legal proceedings relating to the property of the bankrupt;

(c) Employ a solicitor or other agent to take proceedings or to do any business which may be sanctioned by the committee of inspection, and if he has duly obtained the sanction of the committee to the appointment he will not be liable for the laches of the solicitor;

(d) Accept as a consideration for the sale of any property of the bankrupt a sum of money payable at a future time, subject to such stipulations as to security and otherwise as the committee think fit;

(e) Mortgage or pledge any part of the property of the bankrupt for the purpose of raising money for the payment of his debts;

(f) Refer any dispute to arbitration, compromise all debts, claims, and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt on the receipt of such sums, payable at such times and generally on such terms as may be agreed on;

(g) Make such compromise or other arrangement as may be thought expedient with creditors or persons claiming to be creditors in respect of debts provable under the bankruptcy;

(h) Make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the property of the bankrupt made or capable of being made on the trustee by any person or by the trustee on any person. Such a compromise, however, may be over-ruled by the creditors;

(i) Divide in its existing form among the creditors, according to its estimated value, any property which from its peculiar nature or other special circumstances cannot be readily or advantageously sold;

(j) Appoint the bankrupt to superintend the management of the property or of any part thereof, or to carry on the trade (if any) of the bankrupt for the benefit of creditors, and in any other respect to aid in administering the property in such manner and on such terms as the trustee may direct;

(k) The trustee may also from time to time, with the permission of the committee of inspection, make such allowance in money as he may think

just to the bankrupt out of his property for the support of the bankrupt and his family, or in consideration of his services, if he is engaged in winding up the estate, but any such allowance may be reduced by the court.

(h) **Release, Resignation, and Dismissal.** When the trustee has realised all the property of the bankrupt, or so much thereof as can be realised without protracting the trusteeship, and has distributed a final dividend, if any, or has ceased to act by reason of a composition having been approved, or has resigned, or has been removed from his office, the Board of Trade must on his application, subject to the consideration of a report as to his accounts, etc., either grant or withhold the release, subject nevertheless to an appeal to the High Court.

The release of the trustee does not prevent the court making an order upon him in consequence of his refusal to pay a dividend. Before making application to the Board for his release, the trustee must give notice to all the creditors who have proved their debts, and to the debtor, and must send with such notice a summary of his receipts and payments as trustee. Where, however, he ceases to act by reason of a composition having been approved, he need only give notice to the debtor. The release of a trustee is entered in the *Gazette*, and does not take effect until he has delivered over all books, papers and documents to the official receiver.

If the release of a trustee is withheld, the court may, on the application of any creditor or person interested, make such order as it thinks just, charging the trustee with the consequences of any act or default he may have done or made contrary to his duty. Release discharges the trustee from all liability in respect of any act done or default made by him in the administration of the affairs of the bankrupt, or otherwise in relation to his conduct as trustee, but any such order may be revoked on proof that it was obtained by fraud, or by suppression or concealment of any material fact.

Where the trustee has not previously resigned or been removed, his release operates as a removal from his office, and the official receiver is then the trustee. The creditors may remove a trustee appointed by them, and may appoint another person to fill the vacancy as provided in case of a vacancy of the office of trustee.

If the Board are of the opinion that a trustee appointed by the creditors is guilty of misconduct, or fails to perform his duties under the Act, the Board may remove him from his office; but if the creditors, by ordinary resolution, disapprove of his removal, he or they may appeal against it to the High Court.

If a receiving order is made against a trustee, he thereby vacates his office, but in that case if the receiving order is rescinded on the ground that it should never have been made, he will be restored to office if no other trustee has been appointed in the meantime. A trustee intending to resign must call a meeting of creditors to consider whether his resignation shall be accepted or not, and he must give not less than seven days' notice of the meeting to the official receiver.

TRUSTEE SAVINGS BANKS.—(See **SAVINGS BANKS**.)

TRUSTEE SECURITIES.—The law restricts executors and trustees who are not given special powers by the will or instrument creating the trust,

to the investment of trust funds in certain securities. Of course, if a testator in his will gives his executors power to invest in any other class of security, they are perfectly within their rights in so doing; but where this is not the case, and in the case of certain institutions, such as trade unions, investments have to be restricted to the category known as trustee stocks or trustee securities.

Some such restriction is, of course, necessary, otherwise the way would be open to abuse on the part of trustees, executors, and others, by foolish investment in speculative securities, which might too easily jeopardise the safety of the capital entrusted to their care. Obviously, therefore, trustee securities are those enjoying a greater degree of safety than the majority of outside stocks, although this fact does not prevent heavy depreciation in many of the stocks thus chosen.

The various Acts covering trustee funds were consolidated and amended by the Trustee Act of 1893, according to which, under section 1 of the Act, the stocks in which trustees may place moneys of which they have the control are the following—

(a) Government securities, public funds, or Parliamentary stocks of the United Kingdom.

(b) Real or heritable securities in Great Britain or Ireland (but not on equitable or second mortgages, leaseholds, or mortgages of unlet houses).

(c) Bank of England and Bank of Ireland stocks.

(d) Indian Government securities.

(e) Securities the interest on which is guaranteed by Parliament.

(f) Metropolitan Board of Works stock, London County Council stock, and Metropolitan Police District debenture stock.

(g) Debenture, rent charge, guaranteed or preference stocks of any railway in the United Kingdom, if the dividend for the last ten years has been not less than 3 per cent. per annum on the ordinary stock

(h) Stock of any railway or canal company, leased for not less than 200 years at a fixed rent to any railway company under (g).

(i) Debenture stock of any Indian railway, the interest on which is paid or guaranteed, or other stock on which a fixed or minimum dividend in sterling is guaranteed by the Indian Government, or upon the capital of which the interest is so guaranteed.

(k) "B" annuities of the Eastern Bengal, East Indian, and Sindh Punjab and Delhi Railway, and any like annuities charged on the revenue of India, also in "D" deferred annuities and "C" annuities of the East Indian Railway.

(l) Debenture, guaranteed, or preference stock of any incorporated water company in Great Britain which has for the last ten years paid a dividend of not less than 5 per cent. on its ordinary stock.

(m) Municipal stocks of towns of over 50,000 inhabitants or county council stocks issued under Act of Parliament or provisional order.

(n) Water trust stocks of towns or compulsory districts of over 50,000 inhabitants, where assessment for each of the last ten years has not exceeded 80 per cent. of the amount authorised

(o) Stocks authorised for investment of funds under the control of High Courts of Justice.

It will be seen that the section, designated by the letter (i) allows automatically for change or enlargement according to the census returns; and, in fact, the census of 1911 showed that the following corporations and boroughs had qualified for the

admission of their loans as trustee securities by reason of the fact that their population exceeded 50,000—

Barrow-in-Furness	Leith
Blackpool	Northampton
Bootle	Partick
Dudley	Preston
Gateshead	Rochdale
Great Yarmouth	Salford
Greenock	Smethwick
Govan	Warrington
Halifax	West Hartlepool

whilst one town, viz., Burton, had lost this eligibility on account of a falling-off in population. It should be mentioned, however, that no liability attaches to trustees who had already invested in these securities.

The Trustee Act, 1893, then proceeds as follows—

"2.—(1) A trustee may under the powers of this Act invest in any of the securities mentioned or referred to in Section 1 of this Act, notwithstanding that the same may be redeemable, and that the price exceeds the redemption value.

"(2) Provided that a trustee may not under the powers of this Act purchase at a price exceeding its redemption value any stock mentioned or referred to in sub-sections (g), (i), (h), (l), and (m) of Section 1, which is liable to be redeemed within fifteen years of the date of purchase at par or at some other fixed rate, or purchase any such stock as is mentioned or referred to in the sub-sections aforesaid, which is liable to be redeemed at par or at some other fixed rate, at a price exceeding 15 per centum above par or such other fixed rate

"(3) A trustee may retain until redemption any redeemable stock, fund, or security which may have been purchased in accordance with the powers of this Act.

"5—(1) A trustee having power to invest in real securities, unless expressly forbidden by the instrument creating the trust, may invest and shall be deemed to have always had power to invest—

"(a) on mortgage of property held for an unexpired term of not less than two hundred years, and not subject to a reservation of rent greater than a shilling a year, or to any right of redemption or to any condition for re-entry except for non-payment of rent.

"7—(1) A trustee, unless authorised by the terms of his trust, shall not apply for or hold any certificate to bearer issued under the authority of any of the following Acts, that is to say—

"(a) The India Stock Certificate Act, 1863;

"(b) The National Debt Act, 1870,

"(c) The Local Loans Act, 1875;

"(d) The Colonial Stock Act, 1877

"8—(1) A trustee lending money on the security of any property on which he can lawfully lend shall not be chargeable with breach of trust by reason only of the proportion borne by the amount of the loan to the value of the property at the time when the loan was made, provided that it appears to the Court that in making the loan the trustee was acting upon a report as to the value of the property, made by a person whom he reasonably believed to be an able practical surveyor or valuer instructed and employed independently of any owner of the property, whether such surveyor or valuer carried on business in the locality where the

property is situate or elsewhere, and that the amount of the loan does not exceed two equal third parts of the value of the property as stated in the report, and that the loan was made under the advice of the surveyor or valuer expressed in the report "

By Section 2 of the Colonial Stock Act, 1900, a trustee is empowered to invest in any colonial stock registered in the United Kingdom in accordance with the provisions of the Colonial Stock Acts, 1877 and 1892, as amended by this Act, provided such stocks have been notified in the *London Gazette* as having been approved by the Treasury, subject to the restrictions contained in Section 2, sub-sect 2, of the Trustee Act, 1893

The national emergency following the outbreak of war made it necessary that a new kind of borrowing should be set on foot, and War Loan of different categories was issued for subscription. By the various enactments and orders under which War Loan, Exchequer Bonds and Certificates have been issued, these new securities were declared to be Trustee Securities, as if they were included in the Trustee Act, 1893

The following are some of the principal securities quoted on the London Stock Exchange, investment in which is allowed to trustees under the Trustee Acts—

BRITISH GOVERNMENT AND CORPORATION SECURITIES.

2½ % Consols
3½ % War Loan, redeemable 1925-1928
4½ % " " red 1925-45
5 % " " red 1929-47
4 % " " (free of tax), red. 1929-42
4 % Funding Loan, red. 1960-90
4 % Victory Bonds
Transvaal Govt 3 % red 1953
2½ % Guar. Irish Land Stock red. 1933
India 3½ % red. 1931
" 3 % red 1948
Metropolitan Water 3 % " B," 1934
London County Council 3½ %
Liverpool Corporation 3½ % irred.
Manchester Corporation 3 % red. 1941
Portsmouth Corporation 3 %
Leeds Corporation 3 %
Cardiff Corporation 3 %

INDIAN RAILWAY GUARANTEED ANNUITIES

East Indian B Annuities of 18s. 7d p. ann.
" " C Annuities of 17s 6d. p. ann.
East India Railway 3½ % Debenture Stock
Sinde, Punjab, and Delhi B Annuities of
18s 2d per annum
Great Indian Peninsula B Annuities of 14s. 4d.
per annum
Madras and Southern Mahratta Railway Stock
(3½ % min with share of profits)

BRITISH RAILWAY DEBENTURE STOCKS

London and North-Western 3 %
Midland 2½ %
Great Northern 3 %
Lancashire and Yorkshire 3 %
North-Eastern 3 %
Great Eastern 4 %
Great Western 4 %
North British 3 %

BRITISH RAILWAY PREFERENCE STOCKS

Caledonian 4 % Conv Pref 1904 and 1906
London and North-Western 4 %
London and South-Western 3½ %
Midland 2½ %
Lancashire and Yorkshire 3 %
Great Northern 3 %
" " 4 %
North-Eastern 4 %

COLONIAL GOVERNMENT INSCRIBED STOCKS

Cape of Good Hope 4 % (1882)
" " 4 % (1883)
Natal 3 % red. 1929-49
" 3½ % red. 1914-39
" 3½ % red. 1934-44
New South Wales 3 % red. 1935
" " 3½ % red 1930-50
" " 4 % red. 1933
New Zealand 3 % red 1945
" 3½ % red 1940
" 4 % red. 1929
Queensland 3 % red 1922-47
" 3½ % red 1921-30
" 4 % red 1924
Southern Nigeria 3½ % insc. 1930-50
Straits Settlements 3½ % red 1937-67
Tasmanian 3½ % red 1920-40
Victoria 3 % red 1929-49
" 3½ % red 1920-49
West Australia 3 % red 1927
" 3½ % red. 1927-47

TRUST RECEIPT.—Money is often advanced by bankers on the security of bills of lading; but it is not always to the advantage or the convenience of the banks that they should personally deal with the bills. Certain banks, therefore, permit their customers to retain the bills of lading on their signing what is called a trust receipt, which is a document in which an acknowledgment is made of the holding of the bills of lading as the property of the bankers, and also in which there is an undertaking to keep the goods mentioned in the bills of lading warehoused in the names of the bankers, and, when they are sold, to hand over the proceeds to the bank. The holders of the bills of lading, therefore, become trustees of the goods for the banks.

TRUSTS AND TRADE ASSOCIATIONS.—Trusts and Trade Associations are an inevitable outcome of large scale industry. They supersede competition by control, they displace the fixing of prices by "supply and demand" and substitute what is virtually a monopoly price. Yet they are not necessarily evils, not necessarily as they are sometimes represented "conspiracies for defrauding the public." Still, their growth and the fact that they constitute a power within the State, *imperium in imperio*, affords a grave problem to modern industrial communities. The present tendency is all towards combination and we shall shortly have a number of industrial republics, enjoying a sovereignty of their own regarding the amount to be produced and the prices at which that amount shall be sold. When the combine is one that controls a luxury—like the Diamond Ring that enables the Premier Mine at Pretoria to pay 750 per cent. dividend—it may perhaps be left to itself; when, however, it controls the necessaries and comforts of civilised life, meat, tobacco, textiles, paper,

soap, iron, sewing-cotton, coal, and the like, some guard against the exploitation of the public is to be sought. There has been a widespread demand for the removal of "Government Control." It is, however, a question whether such is not preferable to the control by private interests, enjoying such a monopoly that they can fix prices just as they choose. In our present industrial stage the "Competitive System," relied upon by the old economists to make prices "just about right," to drive out the incompetents, and to raise the level of efficiency—to the advantage of the public—throughout an industry, is a misnomer. We have not the huge trusts they have in the United States, where things run large, nor the close *Kartells* of Germany, where the herd instinct is strong; yet British combines, though less spectacular, are as powerful and efficient as any in the world.

They range from (1) a loose *understanding* among otherwise competing firms, through properly constituted (2) *associations for the regulation of trade*, each associated firm remaining a separate business concern, to the (3) *combine* and the (4) *consolidation*. (Of the last two, the great banking amalgamations, the shipping rings, the multiple shop system, and the tied house system in the licensed trade are variations.) In (1) there is merely a "gentlemen's agreement" carrying no compulsion except good faith. In (2) there are definite rules and penalties. In the "combine" a number of firms in the same line of business (the "horizontal" combination) become a single company, the proprietors of the combining firms obtaining an interest in the acquiring company. The textile industries, and wall-paper and cement industries, furnish types in the United Kingdom. The consolidations are formed by the merging of several firms into one. They are either "horizontal," as in the soap, chemical, and sewing-cotton industries—or "vertical," fusions of firms representing successive stages of production—as in the iron and steel trades, and shipbuilding. These amalgamations increased remarkably during the war, one result of the Excess Profits Duty being the buying up of unprofitable by profitable businesses, the purchase money being what would otherwise have gone to the Revenue.

Clearly, combination makes for improved organisation giving room for economy and rendering possible greater efficiency. On the other hand, however, the limitation of competition, with the resultant power to control prices, output, and development, constitutes a real danger that the many will be exploited for the few. The problem is to leave industrial firms free to achieve the advantages of combination and yet provide means of preventing the monopoly power from being detrimental to the public. Those advantages are great enough to run risks for: economies in buying, making and selling in bulk, continuous supplies of material, and steady and assured sale of output; standardisation of products; avoiding of wasteful duplication; something like an equal distribution of work, the avoiding of waste in having many travellers and many advertisements, all tending to neutralise each others' efforts; free exchange of knowledge, and consequent improvement in production. The advantages of combination are undeniable, the advantages should, however, be shared by the public either by reduction of price or by improvement of product.

That there is possibility of the combines becoming overgrown, lapsing in the shelter of monopoly into comfortable somnolence, is clear; but a very real foreign competition may be relied upon to combat this tendency. The problem of safeguarding the public against possible abuses of their power by the combines is not readily soluble. The American Anti-Trusts Acts—notably the Sherman Act of 1890 and the Clayton Act of 1914—have produced endless litigation; but that has apparently been their chief effect. And by making combinations of independent firms criminal conspiracies they have actually fostered large amalgamations. The experience of the United States does not encourage us here to pass restrictive laws.

Other safeguards are suggested: one that prices should be controlled by a vigilant department of State, another that rates of profit shall be limited or that any increase in dividends shall be accompanied by a reduction in prices; another that a monopolised industry shall be carried on by the State, another, and perhaps the most feasible, that of balancing combinations of producers by combinations of consumers—the co-operative movement for actual production as well as consumption. Whatever policy is adopted one thing is certain: the more light that is thrown upon the combines, the greater the publicity given to their action, the more readily will people appreciate the advantages of unity in an industry, the more reluctant will the combines be to abuse their powers.

TSCHARKEY.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

TSUN.—(See FOREIGN WEIGHTS AND MEASURES—CHINA.)

TULIPS.—There are hundreds of varieties of tulips, which are bulbous plants of the order *Liliaceæ*. Tulips have long been extensively cultivated in Haarlem and other parts of Holland, and the bulbs form an important export of that country.

TULIP TREE.—A large tree of North America belonging to the same order as the magnolia. The bark is used medicinally as a tonic, and the fine, straight-grained yellow timber is valued for its lightness, strength, and durability. It is used in coach-building and cabinet-making.

TULLE.—A delicate silk lace fabric, named after the town in the department of Carrère, France, where it was first manufactured. It is used for trimmings, veils, caps, etc. An imitation tulle is made of cotton.

TUNGSTEN.—A hard, grey, heavy metal of some rarity, found in Cornwall. It occurs chiefly in wolfram, which is a tungstate of iron and manganese. It is alloyed with steel in order to obtain additional hardness. Its most important compound is tungstate of soda. This is a white crystalline solid, which is soluble in water. It is added to starch in order to render light fabrics fireproof, and is also employed as a mordant.

TUNIS.—(See FRANCE.)

TUNNY.—A large fish of the mackerel order. It is of wide distribution, but is most abundant in the Mediterranean. Its flesh is red, and forms a useful food both in its fresh and in its salted condition. An oil used for dressing leather is obtained from this fish.

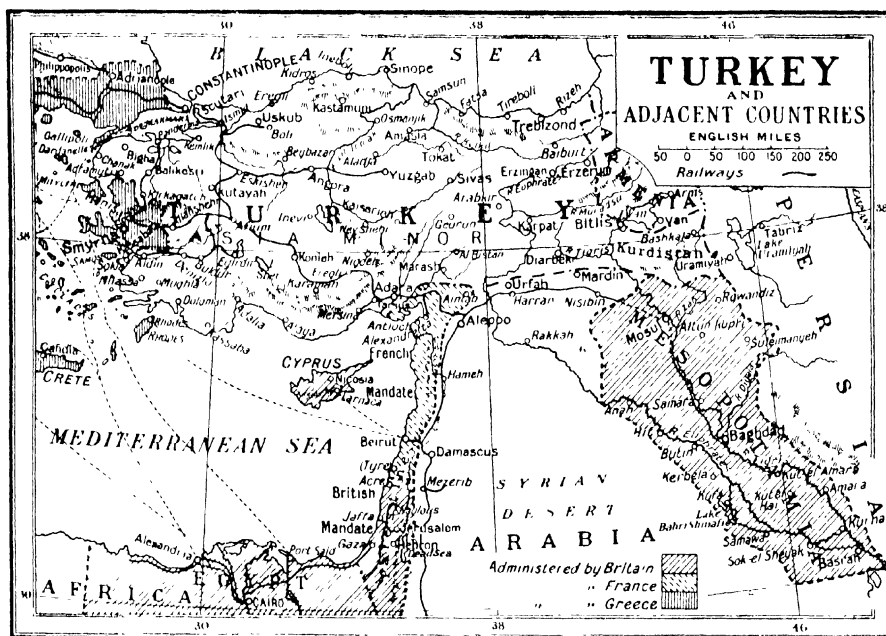
TURBOT.—A broad, flat fish, abundant off the coasts of Britain and France, and in the Mediterranean. Its flesh ranks next to that of the sole in delicacy, and the demand for it is very great.

TURKEY.—The Turkish Empire of to-day is probably about 211,000 sq miles in area, with a population of 11,000,000. Previous to the War it included Armenia, Mesopotamia, Syria, and parts of Arabia. The Turkish Government now recognises the independence of Armenia, the Hedjaz, Syria, Palestine, and Mesopotamia, the annexation of Cyprus by Great Britain, and the loss of the islands in the Aegean Sea. European Turkey and the southern shores of the Bosphorus, the Sea of Marmora, and the Dardanelles are administered by the League of Nations, but Greece claims the Thracian area. The Smyrna district is under the influence of Greece, and the Italians have a sphere of influence in the south of Asia Minor.

of January about 40°F. The mean annual rainfall varies from 20 to 40 ins.

Productions and Industries. *Agriculture* is the mainstay of the people, although farming methods are primitive. Among the chief products raised are cereals (wheat, barley, oats, maize, rice), cotton, tobacco, flax, hemp, opium, madder ("Turkey-red"), olive, roses (for attar or oil of roses), grapes, and other "Mediterranean" fruits. The mulberry tree thrives, and the rearing of silk-worms is important. Honey and wax are produced in large quantities.

The Pastoral Industry. In the mountainous districts and in the dry country between Adrianople and Constantinople pastoral occupations are the



I. NEUTRALIZED EUROPEAN TURKEY.—Position, Area, and Population.—Neutralized European Turkey lies between the Black and the Aegean seas, and between the Sea of Marmora and Bulgaria, with Greece as its western neighbour. Its area is about 8,700 sq miles, and its population 2,000,000, more than half of whom are in Constantinople.

Coast Line. The coasts of the Sea of Marmora, the Dardanelles, and the Bosphorus are strategically and commercially of great importance. The navigation of the Straits, and the Sea of Marmora are free. Gallipoli has been the guardian of the western entrance and Constantinople has been the eastern guardian.

Build. The country is largely a hill-girdled plain, containing the fertile valleys of the Maritza and the Mesta.

Climate. Generally speaking, most of Turkey has the "Mediterranean" type of climate—dry, hot summers, and comparatively mild, wet winters. The mean July temperature is about 72°F and that

chief. Horses, mules, goats, and sheep are reared, and wool and mohair are exported.

The Fishing Industry. The fisheries except those of the Bosphorus and the sponge fisheries of the Aegean Sea are unimportant, and fishing methods are antiquated.

The Mining Industry. The mineral wealth, which is fairly great, is little exploited.

The Manufacturing Industries. Manufactures are mainly of the domestic type, and of local importance. Turkey manufactures silk, textiles, carpets, and leather, but its imports of manufactured goods are great. Even the Turkish fez, the emblem of nationality, is largely manufactured abroad. There are a few cotton, silk, and woollen mills at Constantinople; and Adrianople manufactures carpets, silk-textiles, and attar of roses.

Communications. Roads are poor and difficult to construct and keep in order, and river traffic is small. The chief railway is the Orient Express Route from Vienna and Buda-Pesth by Belgrade,

Sofia, Philippopolis, and down the Maritza Valley to Adrianople and eastwards to Constantinople.

Commerce. The Turk has a strong dislike to trade, and leaves it largely to the Greeks, Jews, and Armenians, whom he hates. In spite of its very favourable geographic conditions, Turkey has never had a large transit and shipping trade, and two-thirds of its foreign trade consists of imports. Its chief ports are Constantinople on the Bosphorus, Rodosto on the Sea of Marmora, Gallipoli on the Dardanelles, and Enos at the mouth of the Maritza. Through Constantinople passes a large proportion of Asia Minor produce. The chief exports are grapes (raisins), silk, wheat, barley, maize, opium, valonia, nuts, sponges, honey, wax, and tobacco. The chief imports are cotton cloth, sugar, cotton-yarn, quilting, coffee, petroleum, rice, woollen goods, hardware, coal, and machinery.

Trade Centres. *Constantinople* (1,200,000), built round the fine natural harbour of the Golden Horn, is the capital and chief stronghold of Mohammedan power in Europe; it has not been taken out of Turkish hands. Its splendid position between two continents and two seas gives it great strategic and commercial importance. The city has four parts: (1) Stambul, the purely Turkish quarter, lying south of the Golden Horn, and containing the mosques, public offices, and principal bazaars; (2) Pera, where most Europeans reside; (3) Galata, the business quarter; and (4) Scutari, the Asiatic quarter. The trade of Constantinople is chiefly in the hands of foreigners. Its chief exports are of Asiatic origin, and include mohair, cereals, and gums from Anatolia, and rugs, carpets, and hand-made textiles from Persia and Armenia. Had Constantinople been in the possession of one of the more advanced European nations, the Bosphorus would either have been bridged or tunnelled, thus giving through communication between the railways of Europe and South-west Asia.

Adrianople (90,000), the chief city of Thrace, stands at the confluence of the Maritza and the Tunja. It is at the crossing of several routes, and has therefore become an important trade centre. It guards the route to Constantinople, and has an important domestic trade with the interior towns. Its manufactures include the making of carpets, silk-textiles, and attar of roses.

II. ASIA MINOR OR ANATOLIA. **Position, Area, and Population.** Anatolia ("The Land of the Rising Sun") or Asia Minor, the western extension of the plateau of Iran, is now the chief country of Turkey. It has the Black Sea and the Sea of Marmora on the north, the Ægean Sea on the west, and the Levant on the south. Eastwards it is bounded by an arbitrary line, running from Alexandretta Bay on the south to a point a little west of Trebizond in the north. Its area is 193,540 sq miles, and its population exceeds nine millions. Five millions belong to the Greek Church; 4,000,000 are Mohammedans, and the remainder are principally Jews. As might be expected from its history and position, Asia Minor is inhabited by many races that still show their nomad origin. Turks, the ruling class, are largely peasant farmers; Greeks are the traders; and nomad Kurds wander over the plateau.

Coast Line. On the north the Pontic Range rises abruptly from the coast, and hence there are no good harbours. Sinöpe, on a safe roadstead, and Samsun are the only ports of any importance. The west coast is much broken and island-fringed,

and some of its inlets form excellent natural harbours. Smyrna, with good communication inland, is the chief port. On the south the broad Bay of Adalia penetrates the land, but the Taurus Range, which rises abruptly from the coast, limits the number of good harbours. Marmarice and Makri have the best harbours, but Adalia and Mersina with poorer harbours carry on the greater part of the southern trade. The west coast is the most important commercially.

Build. Asia Minor is mainly a great plateau about 3,000 ft in height, whose rugged, irregular surface makes it a barrier rather than a bond between Europe and Asia. It rises gradually from an average height of 2,500 ft in the west to 6,000 ft in the east. On the south the plateau is buttressed by the Taurus Range, whose mountains rise to heights of 10,000 ft, and on the north by the Pontic Range; both ranges present steep outward slopes to the sea. The only coast plains of the north are the deltas formed by the Kezil and Yeshil Irmaks; but broad river valleys open to the Ægean Sea, providing useful estuaries and harbours and offering natural routes to the interior. South of the Taurus Mountains are the rich plains of Pamphylia and Cilicia. The Anti Taurus Range rising near Sivas runs south-west to the Taurus, and to the west of it and in the heart of the table-land lie salt plains, salt lakes (Lake Tuzla Gol, the largest), marshes, poor steppes, and deserts. Among famous peaks are volcanic Mount Argæus (11,800 ft) in the east, and Mount Olympus (7,600 ft) in the west. For traffic purposes the rivers are of little importance, even the largest being scantily supplied with water. The chief are the Yeshil Irmak, Kizil Irmak, and the Sakarra, flowing to the Black Sea; and the Gediz Chai, Mendere Chai (Meander), Geuk Su, and Shûm, flowing to the Mediterranean Sea. It should be noted that the configuration causes traffic to pass mainly east and west, and at the same time lends special value to the few convenient passes (particularly the Cilician Gate) leading to the Black Sea and the Mediterranean. Anatolia in build is Asia in little. Its liability to severe earthquakes is a decided disadvantage.

Climate. Three climatic zones may be distinguished. (1) The Northern Coast has damp, enervating summers, and cold winters with much rain and snow. (2) The Highland Interior, shielded by the buttressing ranges from the damp winds of the Levant and the Black Sea, has a dry continental climate, the extremes naturally being greatest in the east, where in winter the thermometer sometimes registers 15°F, and the roads are often blocked by snow; and (3) The Ægean and Mediterranean Coasts have mild wet winters and comparatively dry hot summers, both heat and cold being moderated by proximity to the sea. The coastal plains are subject to malaria and even some of the higher valleys are unhealthy.

Productions and Industries. *Agriculture* is the principal occupation, but is in a backward and primitive state. The olive, fig, and vine thrive on the Ægean and Mediterranean coasts. The plains of Pamphylia and Cilicia yield wheat, cotton, silk, and sesame. Western valleys yield fruits, wheat, barley, rice, maize, cotton, and liquorice. Silkworm culture is important round Smyrna and Brussa. Northern valleys grow excellent wheat, barley, tobacco, and temperate fruits (walnuts, plums, and cherries). There are extensive opium fields in the

neighbourhood of Smyrna and Konia. Much of the plateau is naturally rich, and round Sivas, Konia and Angora excellent wheat and fruits are grown under irrigation. An extension of irrigation would make many tracts productive.

The Pastoral Industry. The plateau dwellers are pastoralists attending to the wants of herds of camels, wiry horses, goats, and sheep. Round Angora, Konia, and Kaisaria, the Angora goat, whose fine hair is so greatly prized for the manufacture of mohair cloths, is reared.

Forestry. The seaward slopes of the marginal mountains and the valleys opening westwards are thickly forested with evergreen trees. The Pontic Range is clothed with forests of oak, fir, and beech, and on the higher slopes rhododendrons and azaleas flourish. From the "valonia" oak is obtained valonia (acorn cups), so useful in tanning. As yet the timber industry is of minor importance.

The Fishing Industry. The sponge fishery of the west coast is unimportant.

The Mining Industry. Asia Minor is rich in minerals, but only rocksalt, meerschaum and emery are worked to any extent. Silver-lead is found near Ismid in the Cilician Taurus, and round Sivas, zinc at Karasu and Aidin, manganese and iron at Konia and Aidin, emery at Smyrna, coal and lignite at Heraclea on the Black Sea, meerschaum at Eski-Shehr, gold, silver, and mercury in the Smyrna region, and lithographic stone near Brussa.

The Manufacturing Industries. The manufactures are chiefly of the domestic type, and include silk, cotton stuffs, mohair cloth, Turkey rugs and carpets, sweetmeats, wine, soap, liquorice paste, and articles of beaten copper and brass. Brussa and Smyrna manufacture silk, carpets, and rugs, and have many flour-mills.

Communications. Absence of navigable rivers, and few railways traversing the interior, result in inland trade being largely conducted by camel caravans. In Roman times good roads existed for wheeled vehicles, but, with the coming of the Turks, neglect and decay prevailed. Only within the last forty years has an improvement begun with the introduction of railways. Routes from south to north are difficult, the only practicable route is that over the Taurus by the pass of the Cilician Gate, which has always been of importance. An important caravan route runs from Scutari by Ismid, Angora and Van to Tabriz. Anatolian railways are largely of German construction. The chief railway lines run from Smyrna and Scutari (Haidar-Pasha). From the latter town a line runs to Eski-Shehr, an important depot, whence a branch goes to Angora, the main line proceeds to Afium-Kara-Hissar, where it connects with the line from Smyrna. The terminus of this Anatolian line is Konya (Iconium), which is also the first station on the Baghdad Railway proper. From Konia the Baghdad Railway proceeds to Chumra, and runs through the Taurus Mountains near the famous Cilician Gate, to Adana. Other lines are: (1) Mersina to Tarsus and Adana; (2) Smyrna to Ephesus, Aidin, and Dimeir; (3) Smyrna to Manissa and Aleshehr; and (4) Mudania to Brussa. Considerable development of industries may be expected to follow the extension of railways.

Commerce. The trade of Asia Minor is not of great importance. The disadvantages are the system of government, the build of the country, and the character of the inhabitants. The country,

nevertheless, occupies a good geographical position for trade, being the bridge between Europe and Asia, and in ancient times it occupied a higher position. The invading hordes, that swept over it to Europe, have left their traces in the mixture of races. The chief ports are Smyrna on the Ægean Sea, Scutari and Haidar-Pasha on the Bosphorus; Ismid on the Sea of Marmora; Sinöpe and Samsun on the Black Sea, and Adalia, Mersina, and Marmarice on the Levant. The principal exports are raisins, valonia, figs, wine, liquorice, wheat, barley, opium, meerschaum, wool, metals, ores, gum tragacanth, mohair, carpets, rugs, beeswax, tobacco, sponges, drugs, hides, raw silk, olive-oil, boxwood, timber, and yellow berries. The chief imports are textile fabrics, iron goods, petroleum, coal, and sugar.

Trade Centres. *Smyrna* (380,000) on the Gulf of Smyrna, is the chief port and commercial centre of Asia Minor. It communicates easily with the interior by the Gediz valley, and has a fine harbour. Most of its inhabitants are Greeks. From it railway and caravan routes diverge eastwards across the plateau. Its exports include all representatives of Anatolian produce. Vessels of the Cunard, Leyland and Messageries Maritimes lines visit the harbour, and there is cross communication with Brindisi. Smyrna has suffered greatly from earthquakes in the past.

Brussa (110,000), in the north-west, is a railway and route centre, commanding the pass below Mount Olympus. It manufactures silks, carpets, and rugs, and is noted for its iron and sulphur springs.

Sivas (65,000), in the valley of the Kizil Irmak, is the centre of an important wheat-growing district.

Kaisaria (Cæsarea) (74,000) stands at the foot of Mount Argæus, and commands the roads leading by easy passes across the Anti-Taurus. It has been a trade-centre since the dawn of history, and is, to-day, the most important town on the plateau.

Adana, in the south, on the Seihun, is a route and railway centre, it commands the pass of the Cilician Gate, and is in a rich agricultural district.

Konia (Iconium) is on the main railway line, and commands routes to the south.

Angora, north of Tuzla Gol, is noted for fruit, honey, and mohair cloth. From it an important route goes to Erzerum.

Samsun, on the Black Sea, is the outlet for the wheat of the Sivas district.

Mersina is the port for rich Cilicia and *Adalia* serves Pamphylia.

TURMERIC.—The product of the hard, resinous roots of the *Curcuma longa*, a plant largely cultivated in India and other tropical regions. Turmeric is a fragrant, yellow powder used as a chemical test for the presence of alkalies; as an ingredient of curry powder, as an adulterant of mustard; and as a dye, which is, however, fugitive.

TURN OF THE MARKET.—This really means the difference between the two prices which are usually quoted in the list of stocks and shares—the lower being that at which the jobber is ready to buy, and the higher at which he is ready to sell. It is this "turn of the market" which constitutes the source of the jobber's profit.

TURNIP.—A hardy plant of the cabbage family, extensively cultivated in the British Isles for the sake of its root, which is used for flavouring soups, stews, etc., and as a cattle food. The two principal varieties are the ordinary white turnip and the yellow swede. This vegetable consists chiefly of

water, and is, therefore, of no great food value; and when employed as a cattle food it should always be used in combination with dry fodder.

TURNOVER.—The total amount of money which has been traded upon by buying and selling, or in other business transactions, during a specified period. Thus, in the case of banking, the turnover in a customer's account for a year is the amount which passes through it in that time. In the case of a shopkeeper, it is the total value of the stock which he sells.

The endeavour to obtain the maximum return to his efforts leads a merchant into the avenue of economy, *i.e.*, to effect his part in the exchange of goods with the least possible expenditure. His private interest is the realisation of a large profit, which consists in the difference between his buying and selling prices, so that the principle of cheap buying and dear selling evolves quite naturally. The wholesale trader endeavours to purchase his goods as cheaply as possible from the manufacturer or producer, so that, in practice, the art of trade consists in the application of all those means and methods to attain that end. For this purpose, the merchant must take a clear view of the whole market, such as the supply of goods in the hands of the manufacturers or producers, the visible and invisible stocks, the conditions of production with their attendant drawbacks, and a most careful study of the fluctuations of trade as far as his specialised commodity is concerned. In doing his, he certainly acts in conformity with economic principles.

Limitations of Cheap Buying. There are, of course, limits to cheap buying. If the manufacturer has the choice of several buyers in the disposal of his goods, he will cut off his business relations from those who seek to take advantage of him. Again, every merchant who intends to make a permanent living out of trade, and who desires to secure reliable sources of supply, must aim at giving fair treatment to those who supply him. The fact must not be overlooked that it is possible for the manufacturers to combine for the purpose of selling should the merchant refrain from offering a fair market price. The single business, therefore, digs its own grave if it is impelled solely by selfish motives when effecting its purchases. Buying cheaply has, therefore, its limits, which are determined by competition and the considerations of a permanent and secure business connection.

From a business point of view, it is unwise for a trader—whether wholesale or retail—to change his dealers whenever a lower quotation is offered to him. Naturally he will compare the various offers made to him, with regard to their quality and price, with those at present supplied to him, but, at the same time, he must also examine whether the new quotation is nothing more than a bait, and whether the new firm would be as capable of serving him as the present, and whether his special wishes and requests respecting the time of delivery and quality could be executed. From a consideration of these important factors in buying and selling, it must be concluded that the cheapest quotation is not always the best.

Limitations to Dear Selling. The same applies to the principle of selling in the dearest market. However natural it may appear that a merchant, in his endeavour to increase his profit, must strive to fix his selling price as high as possible, the wise merchant must, above all, be moderate in the settlement of his prices. Apart from the fact that

he must ever take into consideration the question of competition in fixing his selling prices, the merchant can only acquire a permanent clientele by meeting his customers in a reasonable manner, especially since business success does not, as a rule, depend on a single transaction, but on a permanent connection and a regular clientele, which the merchant can only secure by working at a small profit. However paradoxical it may seem, the correct principle of business practice is to sell as cheaply as possible, assuming naturally that the limits of the selling price have been fixed by a careful analysis of the cost. The analysis of the cost must lead the merchant to observe that the difference between the buying and selling prices, or the *profit* on a single transaction, forms but one of the three factors on which together the success of an undertaking depends. The other two factors are the *magnitude* and the *rapidity* of the turnover.

An example will explain the mutual dependence of these three factors.

Let us suppose three competing merchants—A, B, and C—are dealing in wheat.

A buys 100 qrs. wheat at 15s. 4d. and sells them at 16s., he turns over this quantity every month; therefore his yearly profit amounts to 1,200s.

B has a turnover each month of 400 qrs., which he purchases at 15s. 2d. and sells at 15s. 8d., thus gaining 6d. on each quarter, and his yearly profit amounts to 2,400s.

C buys 400 qrs. at 15s. 4d. and sells them at 15s. 6d., but can effect a turnover of over 400 qrs. per week. Although his profit on each quarter of wheat is only 2d., he makes a yearly profit of 3,466s. 8d.

The first merchant (A) acts according to the principle of buying in the cheapest and selling in the dearest market, whilst B acts on the principle that, in spite of a lower selling price, a bigger profit can be obtained with a large turnover than with a big profit and a small turnover. C recognises the basic principle—the effect of a large turnover—but to this he adds a new principle in that he turns over the same quantity not monthly, but weekly, and thus obtains the highest total profit, although he buys in the dearest and sells in the cheapest market. His guiding business principle is to effect a speedy turnover.

From this example, further conclusions may be drawn. A pays to the producer 15s., B 15s. 2d., and C 15s. 4d. per quarter.

In effecting his purchase, C will defeat his competitors A and B, or at least will render less favourable the conditions of purchase. Again, since C also comes in touch with the consumers with the lowest selling price of 15s. 6d., whereas B demands 15s. 8d. and A 16s. per quarter, he will immediately capture the best customers and thus relegate the other sellers into the background. To this is added the greater efficiency, regularity, and better organisation which C possesses over A and B, which will benefit the parties which are brought together by him, *viz.*, the producer and the customer. The more efficient the business organisation, the more effectively does trade play its part in the national economy. Moreover, from the example above given, it will be seen that the individual's desire to make profit leads automatically to higher economic principles; and that the well-known commercial maxim of buying in the cheapest and selling in the dearest market is by no means the determining one, but must subordinate itself

to other principles, and especially to that of effecting a speedy turnover.

A simple arithmetical example has shown that the effecting of a large turnover is of the greatest importance to trade.

Attention will now be drawn to some general points which must be kept in mind in the endeavour to achieve this end.

Influence of a Large Turnover on Trade. The aim of every merchant to enlarge his turnover is subject to limitations. Both the quantity of the products and the extent of human needs are limited, so that it is impossible for every merchant to increase at will his turnover. As in the past, so in the future: there will be competitive undertakings on a small, medium and a large scale. The small business has a hard struggle, and utilises a thousand different ways and means of retaining its existence alongside and amongst the large undertakings. Its existence is based chiefly on the personal character of the owners, and the power to adapt themselves to peculiar circumstances and, especially, in the willingness to accept a more moderate return. But the gaps and imperfections of large-scale enterprise not only admit of a large number of small businesses, but open the way to their success. The proof of this is to be seen in the fact that within the last twenty years, in nearly every country, and in spite of large stores and co-operative societies, the number of small retail businesses has increased at a more rapid rate, relatively, than the population.

Factors in Effecting a Large Turnover. The scope for developing and the possibility of establishing a large-scale undertaking, and thus effecting a large turnover, is always restricted to a limited number of firms. One of the most salient factors is to be found in the extension of the circle of customers, and the effecting of a large turnover centres chiefly around the struggle for customers.

Taking a broad survey of the clientele for which businesses are called into existence, it must be borne in mind that this is no stationary factor, and that it depends not only on the number of people whose needs must be satisfied, but also on the varying extensity and intensity of their needs.

The variation in the intensity of human needs affords in itself an opportunity to the merchant for the extension of his business and for the enlargement of his turnover. The conflict for the clientele manifests itself in a definite area, so that to effect a large turnover it is necessary to capture a large circle of customers. Among the most important characteristics of modern trade is this struggle for customers, which often assumes some of the keenest and most repugnant forms of commercial warfare.

The struggle to extend one's business connection, or the endeavour on the part of each firm to increase its turnover, may finally prove disastrous to all interested in the particular trade, so that the concerns are eliminated, whilst the better managed and more efficient are worked at a loss. Here, then, is the starting-point for cartels and syndicates (see separate articles). Suffice it here to point out a tendency which is closely connected with the attempts to augment the turnover by increasing the number of customers. This tendency consists of two forms of restricted competition: one an agreement on the part of competing businesses to safeguard themselves against the customers (*i.e.*, an association of sellers); the other, an agreement to allot definite trading spheres to different merchants and manufacturers.

Experience has shown that neither one nor the other of these agreements lasts for long. The varying degrees of efficiency, and the desire on the part of each business for further expansion, always precipitates a breach of contract and leads to its dissolution. It is clear that these tendencies towards dissolution are mainly to be found among the more powerful combinations, which, in their thirst for enterprise, become dissatisfied with the permanent restrictions of the cartels and syndicates. Generally speaking, however, the break up of these combinations is beneficial to trade, for society has no interest in the maintenance of inefficient concerns by artificial means. It is, however, beneficial to eliminate the smaller concerns or to restrict their sphere of operations, so that the more efficient firms, which can exercise the economic principle of trade, may survive. Hence it may be concluded that a large turnover depends principally on a larger sphere of customers, which can only be gained by those businesses which are efficiently organised.

Nevertheless, the endeavour to extend the sphere of trade and its customers, in order to increase the turnover, may be unprofitable to the single business and disastrous from the economic point of view. This is especially the case with regard to mercantile concerns, in which expansion is accomplished with a relatively high rate of selling expenses, or where the sale of the increased purchases becomes impossible, so that they have to be cleared at a loss, or at such a price as to be damaging to the whole market.

A sound and profitable increase of turnover cannot be forced, but depends upon the possession of a greater business efficiency over one's competitors, although, in some cases, it may be due to the command over capital. The latter, however, are the exceptions rather than the rule, so that, apart from these, superiority is to be sought for in the normal factors, such as in a more complete organisation of business, whether in regard to purchasing, warehousing, selling, working expenses, quality, cheaper prices, goodwill, in the better adaptation to the requirements of the customers, or in greater activity and initiative.

Influence of the Period of Turnover. In addition to the two factors—the difference between the purchase and selling prices (*i.e.*, profit) and the magnitude of the turnover—there comes a third: the period of the turnover or the necessity of effecting the turnover as speedily as possible.

In order to explain the relationship existing between the time and the magnitude of the turnover in reference to the practice of commerce, it is necessary to examine the basis of the circulation of business capital.

If the goods are bought with cash on the spot and again sold for cash, the whole circulation of the turnover is limited by two points of time. The starting point for the period of the turnover is the day on which the goods were received, and with this coincides the day of payment. The termination of the period of turnover, or the circulation of the goods, is the selling day when the goods are dispatched, on which, according to the above illustration, payment is received for the goods.

If, however, the purchase and the sale are not effected in one and the same place, but at a distance and on credit, there result four points of time, which, as a rule, come in the following order—

Receipt of Goods—Payment of Money—Sale of Goods—Receipt of Money.

Various modifications, however, are possible. The time for the payment of money may be effected after the sale of the goods; indeed, even after the time of receiving the money.

TURPENTINE.—The semi-solid, resinous exudation of various coniferous trees. It is obtained chiefly from certain pines of Scotland, America, and France. Venice turpentine is the product of the larch. Oil or spirit of turpentine, which is the ordinary turpentine of commerce, is obtained by distillation. It is a colourless, strong-smelling liquid, also known as turps. It is used as a solvent in the preparation of oils, paints, and varnishes, and is also valuable in medicine as an antiseptic and as a local irritant in cases of rheumatism. Its internal use is extremely limited. The chief seat of the turpentine industry is North Carolina, which exports tremendous quantities to Great Britain annually.

TURQUOISE.—A precious stone consisting of a phosphate of alumina, together with small quantities of the oxides of iron and copper. The most prized gems are sky-blue in colour, those of greenish-blue being less valuable. The stones are usually opaque and are never of crystalline structure. They are found chiefly in Persia, where they are much esteemed. Specimens are also obtained from North America. The French stone, known as Occidental turquoise, consists of fossil bone with a blue incrustation. Artificially produced turquoises are of little account.

TURTLE.—A marine reptile, of which there are many species. The types most important commercially are the hawk's bill turtle, yielding tortoiseshell (*q.v.*), and the green turtle, which is imported in large quantities from Ascension Island for the manufacture of turtle soup. The eggs of the last-named species are also much esteemed. In the preparation of mock turtle soup, calf's head is used instead of the flesh of the turtle.

TUSSER or TUSSORE. A coarse Indian silk, for which the demand is increasing. Lyons imports large quantities. (See *SILK*.)

TWEEDS.—Scotch woollen fabrics, noted for their warmth and durability. They are of various patterns, generally based on diagonal lines. Large quantities are homespun. Tweeds are much used for men's clothing and for the heavier articles of ladies' attire, *e.g.*, travelling coats, etc.

TWILLS.—Materials with a ribbed appearance, due to the method of manufacture, in which the warp is raised one thread and then depressed two or more threads for the passage of the weft.

TYPE.—The metal characters used in printing. All type-founders cast their type as nearly as possible to one uniform height, but the letters may have varying breadths. The ordinary type used in this volume is Brevier or 8-Point. Each column has 72 lines, and is technically known as 16 Pica ems wide, the total width of page being 33 Pica ems.

The following are the names of the different kinds of type most frequently used in printing, with an example of each, and about the number of letters which would be contained in a page of the same size as this Encyclopædia—

Pearl (or 5-Point), 17,632 letters.

Pitman's Business Encyclopædia and Dictionary of Commerce

This is not the smallest size, but the two smaller sizes are rarely used.

Nonpareil (or 6-Point), 12,288 letters.

Pitman's Business Encyclopædia and Dictionary of Commerce

Minion (or 7-Point), 8,700 letters.

Pitman's Business Encyclopædia and Dictionary of Commerce

Brevier (or 8-Point), 7,200 letters.

Pitman's Business Encyclopædia and Dictionary

(N.B.—This is the type used in the composition of this ENCYCLOPÆDIA.)

Bourgeois (or 9-Point), 5,400 letters.

Pitman's Business Encyclopædia and Dictionary

Long Primer (or 10-Point), 4,408 letters.

Pitman's Business Encyclopædia and Dictionary

Small Pica (or 11-Point), 3,744 letters.

Pitman's Business Encyclopædia and Dictionary

Pica (or 12-Point), 3,072 letters.

Pitman's Business Encyclopædia and Dictionary

English (or 14-Point), 2,214 letters.

Pitman's Business Encyclopædia and Dictionary

Great Primer (or 18-Point), 1,350 letters.

Pitman's Business Encyclopædia and Dictionary

Type is now almost invariably cast on what is termed the point system, which varies slightly from the old system, and the equivalents in points are shown in italics.

TYPEWRITER, HISTORY AND DEVELOPMENT OF.—The typewriter, as we know it to-day, has a comparatively short history, although the unrealised idea is much older. There was a British patent granted to Henry Mill, in 1714, for "an artificial machine or method for the impressing or transcribing letters, singly or progressively one after another as in writing, whereby all writing whatever may be engrossed in paper or parchment so neat and exact as not to be distinguished from print." Unfortunately, there are no models or illustrations extant of this early writing machine. The first United States patent for a machine of this description is dated 1829, and the first French patent, 1833.

The originating cause of the typewriter as we know it to-day is, however, to be found in the invention of an American named John Pratt, of Alabama, who obtained, in 1864, provisional protection from the British Patent Office for a writing machine invention, of which a further specification was entered in 1866. "This invention," Pratt stated, "consists of an improved machine for printing rapidly upon paper by the simple manipulation or the fingering of keys, suitably arranged upon the keyboard." The inventor read a paper in regard to his machine, and exhibited a complete model before the Royal Society of Arts. This model is now preserved in the South Kensington Museum. Although Pratt never placed his invention on the market, it holds a position of great distinction in the history of the typewriter, from the fact that it directly inspired the invention of the many varieties of writing machine in use at the present day. The *Scientific American* for 6th July, 1867, gave a notice of the new invention, and predicted a day when pen writing would become obsolete, and a printed record, produced by "playing upon the literary piano," would take its place.

About this time an American inventor named C. Latham Sholes, of Milwaukee, Wis., was engaged in the production of a machine designed for printing the serial numbers on bank notes, railway tickets, etc. Another inventor, Carlos Glidden, suggested to Sholes the advisability of a machine which would write letters and words instead of figures and numbers. This was the first idea suggested to Sholes on the subject. It was not until the numbering machine had been completed that he read of Pratt's invention; but by September, 1867, he had produced his first crude writing machine, destined to be the pioneer of the present day typewriters. The first United States patent for this writing machine was taken out in the names of Sholes, Glidden, and Samuel W. Soule on 23rd June, 1868, other supplementary patents being secured by Sholes in the same year and in 1871. The earlier models produced by Sholes were in many respects crude and imperfect; from twenty-five to thirty experimental machines were, however, produced, and were placed with professional shorthand writers and others who, having much writing to do, could subject them to practical tests. In this way many improvements were suggested and effected.

In 1875 the first practical typewriting machine was manufactured and offered for sale in America under the title of the "Sholes and Glidden Writing Machine," afterwards known as the Remington Typewriter, it being manufactured by the Remington Small Arms Co. As this instrument wrote only in capitals and had other drawbacks, its field of usefulness was comparatively limited. Several specimens were exhibited at the Caxton Exhibition at South Kensington in 1877, where they attracted only a moderate amount of attention. In America the early models of this writing machine met with but a slow sale, and down to 1882 only 1,500 had been sold. In 1886 the first typewriter firm opened a business in London, representing the Remington Co. Others followed in succeeding years, and at the present time over twenty American and British manufacturers of typewriters have headquarters in London.

While each writing machine has distinctive features of more or less importance and value, which differentiate it from other typewriters, there is a marked tendency to-day to standardize on certain lines. (See TYPEWRITERS.)

There are, however, certain broad lines of construction which classify typewriters into groups. The three main groups are the following—

(1) *Index or pointer machines*—In such machines, the types are arranged on a plate, and impressions are made by the movement of a pointer, as the machines do not possess a keyboard. These cannot, however, be operated at the speed necessary for commercial and professional use, and need only be mentioned here in passing.

(2) *Type-bar machines*, which are developments of the original invention of Sholes. The type bar is a metal lever with a type-block bearing a character or characters at the end, and when put in motion from the keyboard, one character at a time is impressed by the lever on the paper. The typebars are arranged in a semicircular fashion and are operated singly, the point of percussion of the type being at a common centre, while the paper is moved automatically as each letter is impressed on it.

(3) *Type-wheel machines*, which are on the lines

of the Pratt machine referred to in a previous paragraph. In these instruments the types are arranged round the segment or segments of an oscillating wheel, which is sometimes termed a cylinder or shuttle. When the typist strikes a key, the corresponding type on the wheel is brought into position, a small hammer simultaneously forces the paper against the type, and the letter is impressed on it, or alternatively, the whole type-wheel (or segment) is forced against the paper.

All machines of the second and third classes, that is, all machines in general commercial use, are operated by means of a keyboard. This consists of rows of keys, each of which bears one or more characters. When any key is struck, a corresponding character is impressed on paper inserted in the machine. By the majority of manufacturers the arrangement known as the "universal keyboard" is adopted, the few instances where this is not the case are indicated in the notes on the leading machines on the British market (See TYPEWRITERS.) The advantage of the "universal" arrangement to the skilled professional typist, who may in the course of his career be called on to operate several different makes of machines is, of course, obvious.

When a closer survey is made of the machines in the two main divisions described above, it will be discovered that further classification is requisite with respect to salient features.

There are, to begin with, three distinct types of keyboard which are colloquially spoken of as single-shift, double-shift, and non-shift keyboards. The majority of machines have a keyboard of the first description. The keyboard contains about forty-two keys, each of which will print either a capital or a small letter, or a figure or a punctuation mark respectively. By a simple stroke of the key, small letters or figures are printed, but when it is desired to type a capital, or some of the punctuation marks, this object is achieved by the simultaneous depression of what is termed a shift-key. Keyboards of the class above described are small and compact, and as the typist's hands move over a limited area, the highest speeds have been attained on machines of this variety. In the second class of typewriters, the keyboard is operated in connection with two shift movements, each key actuating three types, such machines having accordingly three times as many characters as keys. There are generally from twenty-eight to thirty keys.

In the third class of typewriters, the distinctive feature of the keyboard is that it consists of from seventy-eight to eighty-four keys, each of which represents a single character only, capitals and small letters, figures and punctuation marks being each furnished with a separate key; in other words, there is "a key for every character." It is claimed that a saving of time is effected in using this keyboard when writing capitals, as compared with the other forms, which require the employment of the shift-key. On this keyboard, moreover, the keys for the small letters and the capitals are arranged in precisely the same order, so that, as far as the location of the keys is concerned, one kind of keyboard is as easy for the operator as the other.

Another classification of writing machines might be made in relation to the method of inking employed. They fall, in fact, into two main groups.

The first and largest consists of those in which the ink is supplied by the original device, namely, an

ink-ribbon, which travels automatically across the machine between the type and the paper. When a key is depressed, the corresponding type strikes on the ribbon, and through it makes an impression on the paper. One of the more recent improvements in typewriter construction is found in the two-colour ribbon. By an ingenious mechanism the ribbon can be readily shifted by the operator, so that parts of his work can be typed in one of two colours.

The second group consists of those which are provided with an ink-pad. The types are inked by direct contact with the pad, and afterwards strike the paper. The typewriting produced by machines of this class more nearly resembles actual printing than the less sharply defined characters made by striking through a ribbon. In one or two other machines in which the types are inked before impressing the paper, an ink roller, or some other similar device, is employed.

To-day, practically all machines have visible writing—visible, that is, immediately it is produced. In the old days, it would have been possible to classify standard models accordingly as they had, or had not, visible writing. Such classification of up-to-date standard machines is no longer necessary, because they all have visible writing.

Recent developments in the use of the typewriter are distinctly notable, because they vastly increase its value to the business world. Devices have been introduced which simplify tabular work, such as invoicing, to a remarkable degree, and used in association with modern office appliances, are effecting a revolution in clerical methods. In this and other directions the developments in the use of the typewriter are rapid and continuous.

For information upon such points, the reader should consult the article on **TYPEWRITING**, or the current catalogues of the manufacturers.

TYPEWRITERS.—From 1875 to the present time, about 300 varieties of writing machines have been offered to the public. Most of these have, however, never appeared in this country, and the majority of them have disappeared from all markets. At the present time, rather more than 20 different machines are sold in the United Kingdom.

Some brief notes follow, indicating the distinctive features of the typewriters now sold in this country. In those notes, no attempt has been made to appraise the relative merits of the machines in question. The prospective purchaser should, of course, see that the machine he selects is suited to his individual requirements.

There is to-day a strong tendency for all typewriter manufacturers to standardize on certain leading features, as follows—

1. Type-bar principle.
2. Single shift movement (*i.e.*, two cases only).
3. Visible writing.
4. Front upstroke movement of type-bar to printing point.
5. Type-guide.
6. Universal keyboard.
7. Oscillating ribbon as inking device.
8. Two-colour writing attachment.
9. Neutral position of ribbon for stencil-cutting.
10. Automatic ribbon reverse.
11. Some form of tabulator, either
 - (a) Simple "jumper."
 - (b) Column selector.
 - (c) Decimal tabulator.

12. Back spacer.

13. Differential line-spacing.

References in the following Notes to the above numbered devices will simplify description. Otherwise, mention will be made in the separate headings only of distinctive features.

NOTES

Bar-Lock. Has Nos. 1, 3, 5, 6, 7, 8, 9, 10, 11a, 12, 13. The most distinctive feature of the Bar-Lock is the device from which the machine takes its name—a semi-circle of phosphor bronze conical pins fitted in a plate near the printing-point. Between two of these pins, each type-bar, in descending to print, is locked, alignment being thus secured. There is no shift movement, a separate key being provided for each type. The type bar moves forwards and downwards to the printing point.

In its original form, the Bar-Lock first appeared in 1888.

At the time of writing, a new British-made Bar-Lock is promised "for the near future," and will embody all, or most, of the features in our list, together with some distinctive devices.

Blickensderfer (generally known as the *Blick*). Has Nos. 3, 6 (where required), 11, 12, 13.

Distinctive features.—Relatively small size and weight, securing portability. It is a type-wheel machine, with double shift movement, normally fitted with a "Scientific" keyboard, though the universal keyboard can be fitted if preferred. A pad is the inking device.

At the time of writing, the "90 Blick" is just appearing on the market. This has features Nos. 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13.

Distinctive features.—A ninety character keyboard (whence the name), written with thirty keys and two shifts. Portability is again a leading feature. The machine is fitted with an interchangeable type-bar segment, so that various styles of types may be used, as well as characters needed by different languages.

Corona. Has features Nos. 1, 3, 4, 5, 6, 7, 8.

Distinctive features.—A two-shift keyboard, writing eighty-four characters. Built with special regard to portability, not only as regards weight but also as regards size. For travelling, the machine folds up on to itself, so as to occupy little room.

Elliott-Fisher. Fundamentally different from most other typewriters, owing to its being constructed mainly for writing in bound books, though it will also write in the ordinary way, on loose sheets. The latest model *I* has the following features—1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13.

The types play downwards towards the printing point. Keyboard and type-basket travel together across and down the writing surface as the work progresses. Equipped with various forms of tabulator. Writes on a flat platen, not on a cylinder. Can be fitted with arithmetical devices—adding, subtracting, and cross-adding.

Empire. The latest model (No. 2), has the following features—1, 3, 5, 6, 7, 10, 11a, 12, 13.

Distinctive features.—The types slide horizontally forward to the printing-point. Thirty keys give ninety characters, by use of two shifts. Made in Canada.

Federal. A newcomer on our market. Has most, or all, of the features in the list.

Hammond. The current model is known as the

(Multiplex, having the following features—3, 6 (when required), 7, 8, 9, 12, 13.

Distinctive features—Constructed on the type-wheel principle, the types being cast on a shuttle, which rotates in a circular horizontal plane. Equipped either with the "Ideal" or "Universal" keyboard. The "Ideal" is semi-circular, and has a special arrangement of keys. Two shifts. Shuttles are immediately interchangeable (two being always in position), so that work can be done in a great variety of styles and languages. Light weight.

Imperial. Has the following features—1, 3, 5, 6, 7, 8, 9, 10, 12, 13.

The current model is the *B*, but the Model *D* is promised in the near future.

Distinctive features—The types play downwards and forwards to the printing-point. Keyboard and type-segment can be instantaneously removed, and another substituted, thus giving the machine a wide range of characters, types, and languages. In the Model *D*, a special feature will be made of the tabulator. British made.

Monarch. Has all standardized features, except No. 5.

Distinctive features—The ribbon movement has a transverse and a lateral movement, thus utilizing every fraction of ribbon surface. Can be specially equipped for counting-house work, including adding, subtracting, etc. Has a special variable escapement, adjustable by the operator for high-speed work.

National. A portable machine, marketed in this country by the Hammond Company.

Noiseless. Has features 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13.

Distinctive features—Mainly noiselessness, the usual "click" of operation being entirely eliminated, silence in other respects being secured by ingenious devices. Its type-bar movement is horizontally forward to the printing-point. Two shifts. Has a steel, not a rubber, platen.

Oliver. Has features 1, 3, 6, 7, 8 (where required), 11, 12, 13 (in a special form).

Distinctive features—Two shifts (giving normally eighty-four characters, though the No. 6 Model has ninety-six). The type-bar movement is laterally downwards, the construction of the type-bar itself being special to the Oliver, being U-shaped, with pivots widely separated. Means are provided for horizontal and vertical ruling. Differential line-spacing is accomplished by a particularly ingenious device.

Remington. Has all "standardised" features.

Distinctive features—Made in two forms—the No. 10 and the No. 11. The two models are identical, except that the No. 10 has a five-point column selector, whereas the No. 11 has a ten-point decimal tabulator. Further, the No. 11 can be equipped as an accountancy machine, *i.e.*, with an adding-subtracting attachment, capable of all kinds of calculation, as well as writing. The original commercial writing machine in its early form. First marketed in England in 1886.

Royal. Has features 1-13. The No. 10 *q.*, with or without special attachments, adapted to all kinds of accountancy work (other than those involving arithmetical calculations on the machine). Has a special "bul" controlling the paper.

Salter. Has features 1, 2, 3, 6, 7, 8, 9, 10, 12, 13.

Distinctive features—Has a characteristic type-bar movement, known as the 45° movement—

forwards, but from the 45° position at rest to the 45° position in printing. Made in England.

L. C. Smith & Bros. Has all 13 "standardized" features. Quietness in use is claimed as a leading feature. Has a five-stop decimal tabulator. Ball bearings are largely used at friction points.

Smith Premier. Has features 1, 3, 4, 6, 7, 8, 9, 10, 11 (in special form), 12, 13.

Distinctive features—No shift-key, there being a key for each character (eighty-four in all). It has a unique combination of tabulating devices—a column selector, which moves the carriage to any desired column, and a decimal tabulator, which locates the exact point required in that column. Erasure chute carries away all paper dust clear of working parts. Ball-bearings are largely used. Can be adapted to all kinds of accountancy work (including arithmetical calculations).

Underwood. Has all "standardized" features. Has normally a one-point tabulator for simple column work, but can be equipped with a decimal tabulator. Can also be specially adapted for arithmetical work, and is then known as the Underwood Standard Adding Machine, being capable, however, not only of addition, but of subtraction, as well as ordinary writing.

Wall Street. A new-comer with most of the "standardized" features.

Woodstock. Comparatively speaking, a new-comer. Has most, or all, of the "standardized" features.

Yost. The current model (No. 20) has features 1, 2, 3, 5, 6, 11, 12, 13.

Distinctive features—The inking device is a pad, so that feature No. 9 is unnecessary. The type-bar action is not the regular front-stroke action, being peculiar to the Yost. Can be fitted with adding-subtracting device.

References are frequently made in the foregoing Notes to tabulating devices. Such devices differ so greatly that it is impossible here to deal with them fully. It should, however, be mentioned that the simpler tabulators merely "jump" the carriage to one of a series of pre-determined points, whereas the more elaborate tabulators will "jump" it to any desired point in a series of columns. (See article on **TYPEWRITING**.)

References have also been made in some few cases to arithmetical attachments, converting the typewriter into a writing-adding-subtracting machine. Such attachments differ to an extent that renders comparison almost impossible. Generally, however, it may be said that machines so equipped are capable of performing any kind of arithmetical operation, accuracy of which is automatically guaranteed.

Most of the machines mentioned are capable of accommodating carriages of various widths, the standard carriage being usually one adapted to a writing line not exceeding 7½ inches.

TYPEWRITING.—Originally, typewriting meant copying, or transcribing, with the typewriter. To-day typewriting is by no means confined to such simple work. Indeed, it may fairly be claimed that the typewriter is now, or can now be, adapted to any kind of writing, or even printing, formerly done by other means. moreover, in nearly every case, typewritten work is greatly preferable to work produced by any other means.

The introduction of the billing and book-keeping typewriter has revolutionised the work of the counting house, by making it possible to type

at a single operation, not only the invoice, but to record the entry in the day book, thereby giving a day book in which the entries are all typewritten, instead of written, as under the old method of procedure.

Or again, see how the wholesale draper makes use of the machine for typing the itemised account, making the entry in the journal and recording the amount on the tally strip.

Even this does not exhaust the powers of the billing typewriter, as, by the simple process of carbon interleaves, the invoice, the day book entry, the warehouse or departmental requisition, the delivery note, and the receipt note—in fact, any set of forms—may be typed, not, as one might be pardoned for supposing, at successive operations, but at one and the same time.

Or, if we do not favour the loose leaf system, then we can call into requisition the book-typewriter, which types as easily in a bound book as on a sheet of paper, makes as many duplicates as are required, adds the columns, and enters the totals on the tally strip.

Then there is the tabulator—unknown in the early days of the typewriter, but now often an integral part of the machine. See how it marshals the figures into columns, with units under units, tens under tens, hundreds under hundreds, and so on. To govern its action, it is merely necessary to press a button, when the carriage instantaneously moves to any desired position, enabling us to type the invoice, extend the £ s d one under the other, type the discounts or credits, and record the entry in the day book.

Or, by use of the tabulator in conjunction with the adding-subtracting attachment, we are able not merely to tabulate the numerical items, but also to add, or subtract, them as required.

Or should the work in hand consist, not of columns of figures, but of text which has certain lines beginning at a common point, then we have the column selector, which selects the various regular starting points.

Again, we have now a typewriter fitted with needle-pointed type, which perforates the paper and drives the impression right into the fibre of the paper itself, thereby rendering subsequent alteration an absolute impossibility, and thus threatening the existence of the time-honoured written cheque, so that we shall soon cease to hear the well-known formula "I will write you a cheque," but in its stead, "I will type you a cheque." And this machine with perforating type has made it possible to type work tickets and the like on paper stout enough to stand the rough handling of the workshop, and at the same time to obtain a good carbon copy, so that even thick paper is no longer a barrier.

Again, there is the Strip Invoice machine for accommodating a roll of invoice forms and automatically finding the typing line on each successive invoice, or for typing cards, tickets, address labels, or any separate section of a roll form.

And it is not only in the commercial office and the bank that the typewriter holds sway, as we shall see if we look into the solicitor's office and note how the various documents, from the rough draft to the engrossment, are first dictated to a shorthand-typist and then run off on the machine; or visit the sanctum of the literary man, and see how he either dictates his "copy" to an amanuensis to be transcribed on the typewriter,

or in some cases types it himself without the intervention of the shorthand-writer; or watch the doctor and note how, with the aid of the card index and the typewriter, he keeps a record of the symptoms of his patients; or again, see how the busy man, whether he be travelling by land or sea, may call into requisition the services of the shorthand-typist, and have his work executed as expeditiously as if he were in his own office; and if he be putting up at an hotel *en route*, the same convenience is to hand, so that whether he be on *terra firma* or on the blue waters of the ocean, he can still call to his aid the shorthand-typist and hear the friendly click of the machine.

And even with this long list of the uses to which the typewriter has been put, there is still another phase, namely, the facilities which exist for multiplying copies. Think of the many varieties of both flat frame and rotary duplicator, besides the adaptation of the lithographic process to typewritten work, which has made it possible to take an almost unlimited number of excellent duplicates. Or, on the other hand, if only a few copies are required, then we can fall back on the Hektograph copy, the carbon copy, the press copy, or the rapid roller copy.

Such developments in typewriting have, of course, only been rendered possible by developments in the typewriter. As it was first offered to the world (see TYPEWRITER, HISTORY AND DEVELOPMENT OF), it was but a crude, though adequate, machine—adequate, that is, for the simple purposes for which it was originally intended. Since then, enormous improvements have been made in its construction. Its range of writing has been increased by addition of characters and two or more "cases", friction at working points has been reduced, the escapement has been rendered capable of greater, and ever greater, speed, new and improved devices have been added, such as margin-stops, margin-release, variable line-spacer, keyboard-lock, back-spacer, etc., etc.—to say nothing of special devices for accountancy work—tabulators, tally-rolls, needle-point types, condensed-charging attachments, and the like.

The evolution of the typewriter and the evolution of typewriting have gone on side by side. The expert operator has called for a more adaptable machine, and the more adaptable machine has called for a more expert operator, and hence has come a virtuous circle of progress.

So far as operation has been concerned, the greatest advance was made when touch typewriting became general. In the old days, the best operators would interrupt their typewriting for the purpose of reading the copy. In these days, the capable operator makes manipulation continuous, the eyes being fixed on the copy (of course, if any) from first to last. The manipulation of the keyboard is thus governed, not by sense of sight, but by sense of touch. Hence the expression, "Touch Typewriting."

Speed of operation has also greatly advanced, partly by reason of the mechanical perfection of the typewriter, but mainly because of the adoption of the touch method. At the Bdsness Exhibition in London, in 1920, Mr. R. G. Curtis gained the championship by maintaining a speed of 133 words per minute for half an hour. This was a net speed, 5 words having been deducted for each error made. It is, however, claimed that the actual speed record was made in 1917 by an American, Mr. G. Hosfeld,

who succeeded in writing 145 words per minute during a half-hour's test.

We now give illustrations of a few (of the many) special uses to which the modern typewriter can be put in different kinds of work—

Billing. (1) *The Condensed Billing Typewriter.* This is, as its name implies, specially adapted for billing, or invoicing, though it is equally applicable to correspondence.

Not only will it type the invoice and the day-book entry at one operation, but as many additional forms as may be required, such, for example, as the warehouse order, the delivery note, the receipt, the packer's order, and, in fact, any additional documents required to suit individual needs.

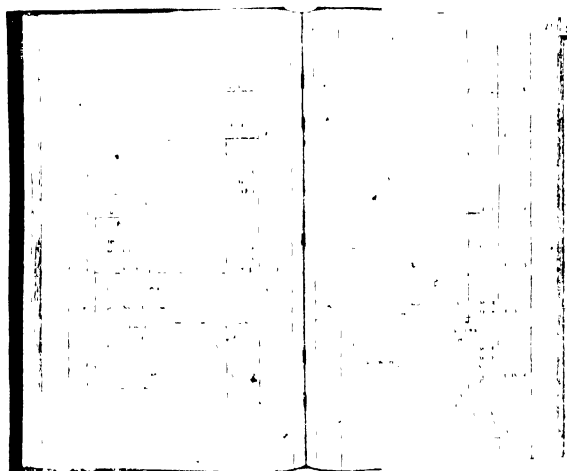
The principal attachment on this machine is the bill condenser, provided for the purpose of feeding each successive invoice to the first writing line, and to govern the automatic spacing of each carbon impression on the day-book page.

despatched to the various customers, and the day book sheets are replaced face downwards at the end of the McMillan book, *below* the dividing tab, so that they run in numerical order.

When a McMillan book is full, the contents are removed bodily and bound in a cheaper binding, and a new set of sheets is inserted to take the place of the old ones.

Such, then, is the method which is fast superseding that of press copying the invoices in a press copy sales book, and which gives in its place *facsimiles*, clear and legible, typed simultaneously with the invoice, instead of the too often blurred and indistinct invoice and sales book.

(2) *The Strip Invoice Typewriter.* The Strip Invoice typewriter is the latest stage of billing machine development. It is fitted with special gear for accommodating a roll of invoice forms, the first of which is fed into the machine in the usual way. Fixed to the right-hand side of the



McMillan Loose-Leaf Sales Book.

When the condenser is set, the method of procedure is as follows: The top day book sheet is taken from the McMillan day book and is fed into the typewriter in the ordinary manner, the invoice and carbon sheet are next inserted, and brought into position by means of the condenser, for typing the first line of the invoice. The invoice is then typed by the aid of the tabulator, and on its completion the condenser is actuated, and the invoice and carbon are withdrawn. The condenser is then actuated again, and turns the day book sheet back a space, which exactly coincides with that occupied by the printed heading of the invoice; consequently, when the second invoice form is inserted there is no waste of space on the day book sheet, as although the two feed simultaneously while the condenser is being returned to its normal position, still this has been allowed for on the day book sheet by the previous action of bringing the condenser forward, after the removal of the first invoice.

At the end of the day's work, the invoices are

cylinder is an attachment similar to the bill condenser, the function of which is to find the writing line automatically on each successive invoice.

Its utility does not, however, cease with the typing of invoices, as it can be used for typing cards, tickets, address labels, or, indeed, any separate section of a roll of forms. If, on the other hand, it is not desirable to employ a continuous roll, it is equally applicable to long strips, subdivided into a number of separate sections, on each of which it is desired to commence typing at a given point.

As with the Condensed Billing machine, so with the Strip Invoice machine, it is equally useful for correspondence; in fact, it is a combined invoicing and correspondence typewriter.

(3) *The Retail Bill and Charge Typewriter.* The Retail Bill and Charge typewriter, fitted with tally roll, is a billing machine specially designed to meet the requirements of firms periodically rendering itemised accounts, such, for example, as those engaged in the drapery business. By the

use of this machine and a folded form, interleaved with a carbon, entries are simultaneously typed upon the bill and the journal sheet, so that not only is liability to error reduced to a minimum, but the journal is typewritten as well as the bill.

This machine is constructed with a special horizontal and lateral aligner, which makes it the work of a moment to insert the folded form. This being done, the items under the current date are typed in the usual way, and the daily total is typed not only as an extension on the bill, but also on the tally strip. The form is then removed from the machine and placed, without taking out the carbon, in a cabinet, awaiting subsequent reinsertion when further entries occur. The tally strip is then in position for typing the daily total of the next bill, as the act of removing the form carries the strip forward one line space.

This procedure is continued until the day's billing is completed, when the tally strip, showing the day's totals, is torn off and sent to the counting house. On each subsequent date when a new order is executed, the customer's form is reinserted, and instantly slipped into position by means of the bill aligner.

Thus the bills accumulate, step by step, as the orders are executed, and at the end of the month all that remains to be done is to "foot" the bills, dispatch them to the customers, and bind the journal sheets in a cheap binder.

Column Finder. The Column Finder—a most useful time-saving invention—is, as its name implies, a device for "finding" or selecting the various columns or starting-points which are common to a given number of lines.

This invention may be utilised in a variety of ways, and on typewriters which have a reversible rack, stops for different styles of work may be set up at one and the same time, thus obviating the necessity of constantly resetting the stops when a change of work is necessary. For example, the stops may be arranged on one side of the rack for the starting-points or numbers which are common to all letters, such as the date, the address, the paragraphs and the subscription, while the stops on the other sides of the rack could be arranged in a similar manner for any other styles of work in vogue in the office in question.

All that is then necessary is to turn the rack with the required side backwards and to depress the column finder key which bears the number corresponding with the required column. Thus,

to find the fourth column or point, depress the key marked "4," to find the first column the key marked "1," and so on.

Tabulator. When the tabulator was first introduced it appeared in the form of an accessory of the typewriter, and could be purchased independently of the machine; but its advantages soon proved so great that many of the typewriter firms now supply an in-built tabulator, which is as much a part of the typewriter as the arm is of the body.

Perhaps the most ingenious contrivance of the kind is the Key-Set Tabulator. This tabulator, in addition to performing the ordinary duties of a tabulator, goes a step further and automatically sets the stops for the typist.

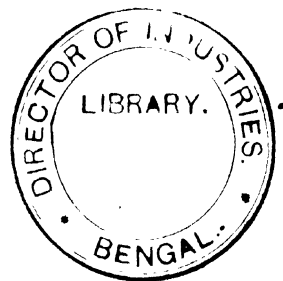
It consists of ten tabulator keys or plungers arranged just below or above the keyboard, a tabulator scale denoting the value of each key, a small key, termed the "Tab Stop Key," situated at the top left-hand corner of the keyboard, a rack known as the tabulator rack, complete with a stop for each degree of space, at the back of the machine, immediately beneath the paper shelf, and behind this rack, a tabulator stop release lever.

These are the main parts, so far as the typist is concerned, of a tabulator which has not only made the work of the typist simplicity itself, but which is proving a notable factor as a time-saving device.

Now a word as to the method of procedure. Let us suppose that an invoice is to be typed. All that is necessary is to depress the carriage release key and to run the carriage to the units' point of the "Quantity" column, and then to depress the "Tab Stop Key," which will immediately set a stop on the rack at the corresponding number. This operation must then be repeated for the "Price" column and for the "£ s. d." columns, but in the latter case the stops must be set for the units of the *pence*.

The typing of the invoice is then proceeded with in the usual way, but the carriage is instantaneously moved from column to column by means of the tabulator keys, which are pressed in accordance with the required denominations.

When it is desired to set up another style of tabulation, the stops may instantly be returned to their normal positions on the rack by depressing the tabulator stop release lever, but this is unnecessary where the same style of work has to be executed day after day.



U.—This letter is used in the following abbreviations—

- U/A, Underwriting Account (marine account).
- U.K., United Kingdom.
- U.S.A., United States of America.
- U.V., Uncollected Vouchers.
- U/w, Underwriter.
- Ult., Of the last month (Latin, *ultimo*).

UBERRIMA FIDES.—The utmost good faith.

UBERRIMÆ FIDEL.—A Latin phrase, signifying "of the utmost good faith." In the case of certain special contracts, of which insurance is the chief example, it is essential that there should be something more than "good faith" shown. Indeed, there must be the most complete disclosure of every material fact connected with the matter. The suppression of anything which might tend to influence the mind of one of the parties to such a contract is ground for cancellation. Contracts of this kind are classified as being of *uberrima fides*. It is often supposed that the principle applies to contracts of suretyship and guarantee. This was judicially negated in the case of *Seaton v. Burnand*, 1900, App. Cas. 135.

UGANDA.—The Protectorate of Uganda, described by Stanley as the "Pearl of Africa," is bounded on the east by the East Africa Protectorate, on the west by Belgian Congo, on the south by the mandatory territory, and on the north by the Sudan. Its area of 110,300 square miles supports a population estimated at 3,500,000, and includes Buganda, and four provinces designated as the Western, Eastern, Rudolf, and Northern. Part of the surface is hilly or mountainous, and part is a plain.

The soil is very fertile except in the Rudolf district. The climate is mild, and fairly healthy except in the lowlands. Rain falls fairly abundantly, the annual amount being over 50 in. It would seem that agriculture will develop greatly in this region. Coffee is well suited to Uganda, and one variety is indigenous. Cotton-growing has become the most important industry; the American type thrives well, and ginning factories are at work at Kampala. There is a great natural wealth of fibre-yielding plants, and the fibres obtained from the *Sansevierias* and the *Raphia* palm fetch high prices. Cereals grow with certainty, and wheat cultivation is spreading in Toro. Cocoa, sugar, and rice can be raised successfully, but as yet have not developed much. Rubber-growing is, however, becoming of importance. The forests yield excellent mahogany and cedar woods. Fruits of many varieties could be produced in vast quantities, and the banana forms the staple food. Cattle thrive well in some districts, but diseases are not unknown. Sheep and goats are plentiful, and are found in most districts. Ivory is obtained in important quantities. As regards minerals, iron is abundant, plumbago is found in Ungoro, copper in the centre, and a little gold in some districts.

Roads are extending in Uganda, but transport facilities need developing. The Uganda Railway lies in British East Africa, and extends from Mombasa on the coast to Port Florence on Lake Victoria Nyanza. A railway connects Lakes Victoria and Kioga, while another short line runs between Kampala and Port

Bell. There is steamer traffic on the Lakes, and Nile steamers ply from Khartoum to Gondokoro on the northern boundary. The chief exports are ghee (clarified butter), coffee, cotton, hides, ivory, skins, and native mats; and the imports are mainly cotton goods and agricultural machinery and implements. Most trade is carried on with Great Britain, the United States, and India.

The chief trade centres are *Entebbe*, on Lake Victoria Nyanza, the administrative centre, and *Kampala*, the native capital of Buganda. The native capital of the country is *Mengo*.

Mails are despatched once a month via Brindisi. The time of transport is about twenty-two days.

For map, see AFRICA.

UKRAINE (the border or the frontier).—**Position, Area, Population.** On 21st November, 1917, the greater part of "Little Russia," consisting of the former governments of Chernigov, Kharkov, Kieff and Poltava, with Ekaterinoslav and Kherson in "South Russia," and Podolia and Volhynia in "West Russia," was encouraged by Germany to declare its independence as the Republic of Ukraine. The new Republic was despoiled by Germany in 1917-1918, and until August, 1919, was overrun by Bolshevik forces, who were finally driven out by a rising of the inhabitants. Recognition by the Powers was gained in March, 1919. The total area of the Republic is 174,000 sq. miles, and its population approximately 30 millions, the density of population in Kiev, Poltava and Podolia being over 130 per sq. mile. Its northern neighbours are Lithuania, the Republic of White Russia, and European Russia, its western, Poland, Czecho-Slovakia, Hungary and Roumania, its eastern, European Russia, the Don Republic, and the Taurida Republic, and its southern the Black Sea.

Build, Climate and Soil. The whole of the region is a boundless plain open to invasion, and with monotony as its key-note. The climate is continental, though not so harsh as that of most of European Russia. There is a minimum of spring and autumn, a low rainfall from May to August when vegetation rushes through its life period, and a death-like peace in winter. In the north there are forests and marshes, but much of the region is covered with fertile black earth ("chernozom"), which retains the moisture and thus compensates for the scarcity of rainfall.

Production and Industries. Agriculture is the leading industry, the "black-earth" region being one of the world's chief granaries. Wheat is the chief crop, but rye, oats, barley and maize are important. Flax, hemp, tobacco, beet, wine, fruit (cherry, plum, apple, pear) and honey are the agricultural products. The steppe region of the south is devoted to the pastoral industry, and hides, skins, hair, bristles and wool form important exports. Poultry farming is increasing in the grain lands. Lumbering and fishing are of minor importance. The eastern area is rich in coal and iron, the Donetz coalfield producing 25 million tons annually and Krivoirog leading all Russian republics in its output of iron. Manufactures are developing. Kharkov and Poltava manufacture woollen goods; Kiev and Kharkov have sugar refineries and flour mills;

Kiev and Kherson make leather, soap and candles; Krivoirog has iron and steel works; and Odessa, Nikolaiev and Kherson have shipbuilding yards.

People. Most of the people of the Ukraine are Slavs of the Alpine Race, and possess the "stocky" frame, characteristic of grassland peoples. They are more imaginative, poetical and refined than their northern neighbours, but need more shrewdness and less humility.

Communications and Commerce. Communications, as in most of Eastern Europe, need developing. Lack of stone and wood for the construction of firm roads explains the bad state of the cart-roads; and since all the rivers are frozen during the cold of winter, and much reduced in depth by the dryness of summer, navigation upon them is in many cases confined to the period of the spring and early summer floods. Railways are practically in their infancy. The best season for the transport of goods is the winter, for then river, marsh and lake are covered with a uniform pavement of snow, which makes transport by sledge easy. The chief exports are corn, flour, eggs, flax and leather; while the chief imports are machinery and metal goods, textiles and tea.

Trade Centres. *Kiev* (600,000) stands on a terrace from 300 to 400 ft. above the level of the Dnieper, opposite the mouth of the Desna. It is the chief town and seat of government, the Holy City and ancient capital of the Russians, and one of the chief educational and religious centres of Eastern Europe. As a manufacturing centre the town is growing. It possesses flour mills, sugar refineries, tobacco and woollen factories, and iron foundries.

Odessa (650,000) stands on the Black Sea near the mouth of the Dniester, and is built in terraces above a safe harbour. Surrounded to a remote distance by immense steppes, the town appears before the weary traveller as a long-desired oasis. It is the chief port, the natural outlet of the wheat-growing lands of the Dniester and Dnieper basins, and a flour-milling and shipbuilding centre. Its harbour has been deepened to 30 ft., but as a port it suffers from its inaccessibility for a short time during winter, and its comparatively poor railway connections with its hinterland, being served directly by only one railway—the great Hamburg-Berlin-Cracow-Odessa line. It has a great trade in grain, flour, starch, leather and soap.

Kharkov (260,000) on a tributary of the Donetz is growing rapidly as an educational, industrial and trading centre. It lies in the heart of the Donetz coalfield, is a railway junction, has one of the largest fairs of Eastern Europe, and manufactures iron and steel, soap, tobacco and sugar.

Ekatierinoslav (180,000) is a rising manufacturing town at the falls of the Dnieper.

Nikolaiev, situate at the junction of the Bug and the Ingul, is a wheat port, and flour-milling and shipbuilding centre.

Kherson, on the Dnieper, has similar industries to those of Nikolaiev.



ULLAGE.—This word is used with two separate meanings—

- (1) The waste in casks or bottles of liquids owing to leakage, breakage, evaporation, or racking.
- (2) The difference between the full capacity of a cask or other vessel and the quantity of liquid which it actually contains.

ULTIMO.—Generally contracted into "ult." It is the ablative case singular of the Latin word *ultimus*, meaning "last." In correspondence "the 20th ult." means "the 20th day of the preceding month."

ULTRAMARINE.—A permanent pigment of beautiful sky-blue colour, originally obtained from *lapis lazuli* (qv), but now prepared artificially by mixing china clay, charcoal, and sulphate of sodium, and heating the whole with sulphur. The preparation of ultramarine forms an important industry in Germany, France, and Belgium, and has been taken up in England, especially by the Lancashire Ultramarine Company, Ltd., near Ulverston. The pigment is used by painters, calligraphers, and paper-stainers, and is of use in laundries as a means of keeping linen a good colour. There is also a green variety.

ULTRA VIRES.—This is a Latin phrase signifying "beyond the powers." The expression is most frequently used in connection with corporate bodies, those bodies being limited as to their powers by the charter or other document under which they are called into existence. Any act done outside these special powers is null and void, and the court will restrain the attempted exercise of it. Thus, in the case of a joint-stock company, the borrowing powers of the company will be fixed by the memorandum and the articles of association. It is the

duty, therefore, of any person who lends money to the company to see that the directors are within their rights in borrowing, and especially that the amount which they are entitled to borrow is not exceeded. The opposite of *ultra vires* is *intra vires*, which means "within the powers."

UMBER.—A brown, earthy mineral, used, when ground to powder, as a brown pigment. A warmer tone is obtained by calcination. The mineral is sometimes found in Great Britain, but occurs chiefly in Italy and Cyprus. It is used by artists and also by house painters.

UMBRELLAS.—These familiar articles, though known in the East since the earliest times, did not become generally used in Great Britain until the eighteenth century. The celebrated Fox paragon frames date back to the middle of the nineteenth century. The chief seats of the British industry are London, Manchester, and Glasgow. Paris is a great French centre. The materials used are of all grades, the best umbrellas having silk covers (made at Lyons and Crefeld). For the commonest qualities cotton is used, and for the intermediate grades various mixtures of silk and cotton are employed.

UMPIRE.—The person who is called in to decide a question under dispute. Whenever a matter is referred to arbitration, it is generally agreed by the terms of the reference that in case the two arbitrators appointed by the parties are unable to agree, a third person shall be nominated by the arbitrators as umpire to decide the points still left open. (See ARBITRATION.)

UNAUTHORISED SIGNATURE (BILL, CHEQUE, NOTE).—(See FORGERY.)

UNCALLED CAPITAL.—Although it has become a rare thing in modern joint-stock companies not to get in the whole of the subscribed capital at as early a date as possible, it was formerly the practice to call it up by degrees as it was wanted, and after a call had been regularly declared by the shareholders. This part of the capital which is outstanding and for which the shareholders are liable is the uncalled capital of the company. In the case of a banking company which has adopted certain provisions of the Companies Acts, it also may constitute a kind of reserve liability which is not capable of being called up except in the event and for the purposes of the company being wound up. (See RESERVE LIABILITY.)

When debentures are issued by a company they usually include a charge upon the uncalled capital. Such a charge does not prevent the directors of the company making calls upon the shareholders as may be required for the purposes of the business. Although the uncalled capital may have been a considerable item when first the debentures were issued, it may have shrunk to a very small figure, or vanished altogether, by the time the debentures are required to be paid.

In certain cases uncalled capital may be specially assigned or hypothecated. When this is done each shareholder should be served with notice that the unpaid capital must be paid only to the person to whom it has been assigned.

UNCLAIMED BALANCES.—The term often applied to the balances of customers' accounts at a bank which have not been operated upon for a considerable period by the persons in whose names the accounts stand in the books of the bank. According to the Statutes of Limitations (*qv*) a customer cannot legally make any claim against a banker with respect to his balance if he has

allowed a period of six years to elapse since he last operated upon it. But in practice a banker never attempts to take advantage of his strict legal rights in this respect. At the same time, however, he does not trouble to inquire for claimants. In recent years various proposals have been put forward with regard to unclaimed balances.

UNCLAIMED DIVIDENDS.—Under the Companies Winding-up Rules, when the liquidator of the company which is being wound up declares a dividend and any of the persons entitled to a share in the assets do not come forward within a period of six months from the date of the declaration, the money is paid into the Companies' Liquidation Account at the Bank of England, and there it lies until the rightful owners prove to the Board of Trade, on petition, that they are the persons to whom it should be paid. In the case of Government stock, if any dividends are unclaimed for ten years, the amount is transferred to the National Debt Commissioners. Should the rightful owners eventually turn up, or the persons who are entitled through the former owners, the money will be re-transferred either voluntarily by the Governor of the Bank of England, on his being satisfied of the justice of the claim and the right of the claimants to make it, or by an order of a judge of the Chancery Division.

With regard to unclaimed dividends of a going concern, it is obviously the duty of a shareholder to keep the secretary of any company in which he is interested acquainted, from time to time, with his own or some registered address to which dividends or notices relating to his shares may be forwarded, and if a shareholder neglects to do this, or, having received his dividend warrant, is so careless as to lose it or omit to pay it into his bank, he merely has himself to thank should the item be ultimately lost to his estate. On the other hand, the assumption is that if a dividend warrant has been issued to a shareholder, he naturally has a right to payment of the amount, and, if, notwithstanding the passage of time, the warrant is not presented for payment, it is far more satisfactory from the company's point of view for a little trouble to be gone to in the matter with a view to ensure its being paid, than for the item to be allowed to remain as an unclaimed dividend. If these are allowed to accumulate, the company, on the one side, is showing a sort of perpetual liability which could and should be reduced or kept within narrow limits; while, on the other side, though the fault of non-presentation probably lies with the shareholder in the first place, unless steps are taken by the company to call his attention to the outstanding warrant, it is possible that either he or his representative may at some future time be in need of the money, and yet be unaware of his right to it.

There are instances on record (which could doubtless be amplified by others) where, though the amount of a dividend being a comparatively small one, or the recipient being a person of means, or simply through *laissez faire*, the shareholder has put the warrants on one side half-year after half-year as they have come in, and then, when a period of perhaps several years has elapsed, has suddenly awakened to the fact of there being quite an appreciable sum of money due to him by the company, and has forthwith set himself to collect the warrants and have them marked for payment, with the result that several are found to be missing, and the harassed

secretary is called upon to issue duplicate warrants on the execution of the usual form of indemnity.

The best method of ensuring early presentation of the cheques therefore appears to be one which deals with the matter each half-year or other point of time when the dividends are paid, as otherwise, if time is allowed to slip by, there is always the possibility of the payee ceasing to be a shareholder, and, by reason of one or more subsequent changes of address, it becomes a difficult if not impossible matter to get into communication with him again. Most companies issue their dividend warrants with a note at the foot intimating that the warrant will not be paid by the bankers after the expiration of a certain period (usually three or six months) from the date of issue without reference to the secretary. This is a good practice, and no doubt acts as a spur towards early presentation of the warrants. It is also advisable for the paid dividend vouchers to be obtained from the bankers from time to time, and sorted in order, and during the last month of the period of currency of the warrants, for a communication to be sent to the shareholders concerned, pointing out that at the expiration of that time the warrants cannot be paid without reference. This will probably have the effect of bringing up most of the laggards, and a further reminder to the remaining ones shortly after the period of currency has expired, asking for the warrants to be returned for the purpose of being marked for payment, should reduce the number outstanding to quite small dimensions.

Notwithstanding every effort which may be made by a secretary, however, to secure the early presentation of warrants, it will in some cases be impossible to trace the whereabouts of the persons entitled to payment, and in this case the only way is periodically to transfer the aggregate amount of the unclaimed dividends to one of the company's reserve funds.

A ruling for an "Unclaimed dividends book" is given below.

UNCONSCIONABLE BARGAINS.—In the law of contract, what are known as unconscionable bargains are agreements of an unreasonable nature. It has been a rule of equity for a long period to grant relief in the case of hard and unconscionable bargains entered into with expectant heirs and other needy persons. But although the rules of equity have been applicable to all the courts since the Judicature Act, 1873, the abolition of the usury laws in 1854 led to a new evil for which there was

no proper legal redress, namely, the lending of money at exorbitant rates of interest by professional money-lenders. The excessive rates charged and the over-reaching methods adopted by the lenders led to the passing of the Moneylenders Act, 1900. It is unnecessary to notice in detail the provisions of this Act with the exception of Sect. 1, which is as follows:—

"Where proceedings are taken in any court by a money-lender for the recovery of any money lent . . . , or the enforcement of any agreement or security . . . in respect of money lent . . . , and there is evidence which satisfies the court that the interest charged in respect of the sum actually lent is excessive, or that the amounts charged for expenses, inquiries, fines, bonus, premium, renewals or any other charges are excessive, and that, in either case, the transaction is harsh and unconscionable, or is otherwise such that a court of equity would give relief, the court may re-open the transaction, and take an account between the money-lender and the person sued, and may, notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, re-open any account already taken between them, and relieve the person sued from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of such principal, interest, and charges, as the court, having regard to the risk and all the circumstances, may adjudge to be reasonable, and if any such excess has been paid, or allowed in account, by the debtor, may order the creditor to repay it, and may set aside, either wholly or in part, or revise, or alter, any security given or agreement made in respect of money lent by the moneylender, and if the moneylender has parted with the security may order him to indemnify the borrower or other person sued."

The intention of the Act was to grant relief in those cases where equity would formerly have refused to interfere. The decision given in the first case which came before the courts after the passing of the Act, *Wilton v. Osborn*, 1901, 2 K B 110, seemed to nullify this intention, but it was held by the Court of Appeal, in *In re a Debtor*, 1903, 1 K B 705, that the court will set aside a bargain where the interest alone is excessive, and that no other consideration of unfairness or over-reaching is required in order to render it harsh and unconscionable. But what is "excessive" interest? Upon this point, and upon the lines the court should

Dr							DIVIDENDS UNCLAIMED BOOK							Cr			
Date when transferred	Date and No of A/c	NAME	No of Warrant	Settling Numbers	Amount	Total	Date when paid	Date and No of A/c	NAME	No of Warrant	Settling Numbers	Amount	Total				
				(Consecutive No as transferred)										(Transfer No from Dr side)			
				(Payment No from Cr side)										(Consecutive No as paid)			

NOTE.—This Book should be divided into sections for 'Dividends' and 'Debenture Interest.'

follow in moneylending cases, the judgment in *Smith v. Carrington*, 1906, 1 K B. 79, must be consulted.

In that case, Channell, J., said: "The conclusion at which I arrive is that the judge is entitled to consider amongst 'all the circumstances of the case' the fact that the borrower thoroughly understood the transaction, and, without any misrepresentation or any pressure other than the mere request to pay so much interest, voluntarily agreed to pay it, and I myself think that when the judge finds these to be the facts, he ought to find that the interest which the man agrees to pay is reasonable and, therefore, not excessive within the meaning of the Act. . . . I think I ought to add that this view of the Act in no way interferes with its operation in all the cases to which it was really meant to apply. Whenever the borrower is in such a state that his agreement cannot be taken as a test of what is reasonable—when he is ignorant, when advantage is taken of him, or when his necessities are such that he practically has no free will—there is no difficulty in applying the Act, and judges are not likely to hesitate to apply it. I ought further to say that if in this case I found that the defendant had from the first intended not to pay the interest contracted for, but meant to lay a trap for the moneylender and take his money, and then, when he had repaid by instalments the amount of actual money received, to set up the Moneylenders Act and claim to be relieved from payment of the interest contracted for, I should hold that that conduct also would be a circumstance which I ought to take into consideration and that I ought to hold in that case that it was most reasonable that he should pay what he contracted to pay. He was in a position to bargain on terms of equality with the moneylender. The argument of the defendant's counsel was based mainly on the absence of risk by reason of the defendant's ability to pay. If it were the case, which I am afraid often happens, of a borrower yielding to pressure put upon him by a moneylender taking advantage of his necessities, I should not say that the mere fact of his knowing of the Moneylenders Act and intending to try and get the benefit of it to relieve him of some part of what he had under pressure agreed to would entitle him to that relief, but for a man in the position this defendant was to take this loan on the plaintiff's terms, apply the money for the purpose for which he wanted it, and then turn round and say that he would not pay the agreed price of the accommodation because it was excessive, is a very different case; and I should have no hesitation in saying that as against him it was not excessive."

A moneylender is defined by sect. 6 of the Act, and does not include a pawnbroker, a friendly, benefit, or similar society, a banker, an insurance company, nor any other person, whose business has not for its primary object the lending of money. (See also **MONEYLENDERS**.)

UNDELIVERED POSTAL PACKETS.—The following are the chief regulations of the post office as regards postal packets which, for any reason, cannot be delivered to the addressee—

Inland Post. An undelivered inland postal packet which is chargeable with a postage of two-pence or more, whether a letter, newspaper, printed paper or parcel, if it bears on the outside the full name and address of the sender, is returned direct and unopened. Any other such undelivered packet is opened by an officer deputed for the pur-

pose; and if it contains the sender's address it is returned to him. An undelivered postal packet, other than a parcel, which cannot be returned to the sender and does not contain any enclosure of importance, is destroyed.

Undelivered parcels which do not contain the address of the sender and are not applied for are liable to be disposed of after three months. Parcels containing perishable articles will be dealt with as may be requisite.

Undelivered post cards, printed papers and newspapers, chargeable with a postage not exceeding three halfpence, are dealt with as follows—

(1) Those bearing on the outside the name and address of the sender, with a request for their return in case of non-delivery, are sent back direct from the office of destination, and are delivered to the sender on payment of a second postage.

(2) Those not bearing on the outside the name and address of the sender, with a request for their return in case of non-delivery, are destroyed.

Foreign and Colonial Post. Undelivered letters, post cards, printed and commercial papers and samples returned to this country from places abroad are, as a general rule, disposed of in the same manner as undelivered inland correspondence on which the same amounts of postage are chargeable (see above). Packets sent to Canada and Newfoundland by magazine post are charged on return with further postage equal to the postage originally payable.

If a parcel addressed to a place abroad cannot be delivered the sender is advised, provided that his address is given on the parcel or on the forms prepared by him at the time of posting, and his instructions for the disposal of the parcel are then communicated to the post office at which the parcel is lying. Special arrangements are, however, in force as regards parcels for the Gold Coast Colony, Nigeria, Russia, Sierra Leone, and the United States of America—Official service, for which reference must be made to the *Post Office Guide*.

In most cases the foreign Customs duty is cancelled on the return of a parcel, but on parcels sent back from the Republic of Colombia, Dominican Republic, and certain French colonies, the Customs charges are not cancelled, and must be paid on delivery, in addition to the return postage. The Customs duty levied on parcels in Spain is cancelled if the parcels are sent back within four months from the date of posting. Other non-postal charges, for warehousing, etc., are maintained on parcels sent back from the Argentine Republic, Chile, Denmark, France, Greece, Holland, Italy, Luxembourg, Morocco (French zone only), Norway, certain Portuguese colonies, Serbia, Spain, Switzerland, and the United States of America (American Express Company's Service).

Parcels returned from one country to another incur fresh postage at the ordinary rates.

Parcels which cannot be delivered are, unless of a perishable nature, kept for a reasonable time in case of enquiry, but if ultimately unclaimed they are disposed of in such a manner as the Postmaster-General thinks fit.

UNDER PROTEST.—Money is said to be paid under protest when the person who pays denies his liability and yet does so to avoid threatened consequences. If legal proceedings afterwards take place, it is always possible to give in evidence the fact that money was so paid; but it is very

advisable that there should be some written record of the matter.

UNDER-SHERIFF.—(See SHERIFF.)

UNDERWRITER.—In marine insurance this is the person who underwrites or subscribes his name to each policy in which he is concerned. It is a species of guarantee, and by it the underwriter agrees to be answerable, in case of loss, for the amount which he has underwritten, and upon which he receives a premium. An underwriter thus shares the risk of loss which devolves on several instead of upon one, and makes it possible to pursue more costly ventures than would otherwise be the case.

In company law the underwriter is the person who acts as a kind of insurer that the necessary capital of a projected enterprise shall be subscribed by himself or his friends if the public do not come forward in sufficient numbers to secure that the minimum subscription at least shall be obtained (See UNDERWRITING.)

UNDERWRITING OF SHARES.—The following definition of underwriting is taken from a leading case dealing with the subject: "From the evidence which has been given as to the meaning of the expression 'underwriting' as applied to shares, it appears that an 'underwriting' agreement means an agreement entered into before the shares are brought before the public, that in the event of the public not taking up the whole of them, or the number mentioned in the agreement, the underwriter will, for an agreed commission, take an allotment of such part of the shares as the public has not applied for. That is what is meant when it is said that a person has agreed to underwrite a certain number of shares in a company. 'Underwriting' is a well-known thing in connection with the promotion of companies. The appellant in agreeing to 'underwrite' a certain number of shares has agreed to do this particular thing, and in my opinion he is just as much bound in equity as if the thing he was to do had been set out at length in the contract which was entered into."

Underwriting is, in fact, a species of insurance, or rather it is the application of the principle of insurance to company formation. Its object is to guard against the risk that shares, debentures, or debenture stock offered for public subscription may not be taken up. Even though it may be thought that the shares of a company are certain to be subscribed for, many unforeseen events might arise to jeopardise the enterprise, and it is to prevent this catastrophe that underwriting has become so exceedingly common. Indeed, since the passing of the Companies Act, 1900, which first placed restrictions upon the commencement of business, requiring that there must be a "minimum" subscription before going to allotment, it is clear that many projected enterprises would be ruined unless a considerable portion of the capital was practically secured before the shares were offered to the public. (See MINIMUM SUBSCRIPTION.)

The underwriting may be undertaken by one person, or by a number of persons, or by a company. The method of carrying out the same cannot be better described than in the words of Sir Francis Beaufort Palmer, the well-known authority on Company Law. He says, "The underwriter writes a letter addressed to the founder or promoter or to the company, agreeing to underwrite a specified amount of what is to be offered, upon the footing that he is only bound to take up his rateable por-

portion of what the public do not take up; and that in any event he is to be paid a commission, either in cash or paid-up shares, or in some other shape. Such a letter is generally expressed in the form of an agreement . . . but in effect it operates only as an offer, and, to become binding—to be converted into a contract—it must be accepted by the other party, and notice of such acceptance given to the underwriter. The acceptance may be in writing or oral, and it is *prima facie* no objection that the notice of acceptance is not given until after the list has closed, for the court is not disposed to import into underwriting contracts implied conditions in derogation of the express terms of the contract. The underwriting letter usually provides that if the underwriter makes default in applying, the other party to the underwriting agreement may apply for the shares on his behalf. This authority, if properly framed, is effective and irrevocable where there is a complete contract, as above; for, in such cases, it is one of the terms of the contract that the authority shall subsist, and it is not open to one party to a contract by any notice to the other to revoke what is a term of the contract. It happens sometimes, however, that such an authority is expressed in contingent terms, as, for instance: 'I will, if called on by you, subscribe, etc., and if I make default you are to be at liberty, etc.' Where this is the case, the authority does not arise until after the condition is performed, that is, after the underwriter has been called on to subscribe; and, accordingly, if the other party exercises the authority before that has been done, the allotment will be ineffective. Even where the underwriting letter has not been accepted by the person to whom it was addressed, and there is therefore, no contract, the underwriter may, in some cases, be held bound by an application made by the other party in professed exercise of the authority conferred by the letter in his possession. The principle of this is that the applicant has an apparent authority from the underwriter to apply, and the underwriter is therefore, as against the company accepting the application in good faith and without notice of any qualification or condition affecting the authority, estopped from denying the validity of the authority. . . . The principle would, of course, not apply if the company knew from the form of the letter or *alunde* that the authority was qualified or conditional.

"An agreement to take shares must be distinguished from an agreement to place shares. One who merely agrees to place does not underwrite, and is not bound to take those he does not place."

"A contract to underwrite debentures is not specifically enforceable, the remedy sounds only in damages. The real security for the performance of the contract and payment of subsequent instalments is the liability to forfeiture of application moneys and earlier instalments."

Great doubts existed until after the passing of the Companies Act, 1900, as to the legality of paying a commission on underwriting. All these doubts have now been dispelled, and it is, therefore, unnecessary at this date to raise any point upon the question, since the enactments of the Act of 1900 are now reproduced by the Companies (Consolidation) Act, 1908, and are as follows—

"89. —(1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the

company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles, and the commission paid or agreed to be paid does not exceed the amount or rate so authorised, and if the amount or rate per cent. of the commission paid or agreed to be paid is—

"(a) In the case of shares offered to the public for subscription, disclosed in the prospectus; or

"(b) In the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar of companies, and, where a circular or notice, not being a prospectus, inviting subscription for the shares is issued, also disclosed in that circular or notice

"(2) Save as aforesaid, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount, or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the normal purchase money or contract price, or otherwise

"(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

"90.—Where a company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed, or so much thereof as has not been written off, shall be stated in every balance sheet of the company until the whole amount thereof has been written off."

A distinction is made between companies which offer their shares to the public and those which do not. However, this point is clear, that without a public notification in the articles, the prospectus, or the statement filed in lieu of prospectus, and, in the case of a company making no public issue, any circular inviting subscriptions, of the payment at a certain rate no underwriting commission can be lawfully paid by the company. As to the amount of shares which ought to be underwritten it is impossible to lay down any general rule. Each case must depend upon its own particular circumstances. But where a going concern is being turned into a joint-stock company, the vendors should, for the sake of their own credit, insist upon the whole of the minimum subscription being underwritten before going to the public. The failure to float a private business as a company might act most prejudicially upon the credit of the vendors.

It must be noticed that a company which has paid any commissions in respect of shares or debentures, or allowed any sums by way of discount in respect of debentures, and has not written off the same, must state the fact in every balance sheet of the company until the whole amount has been written off. The rate of commission paid in respect of an issue of debentures must also be entered in the annual summary (*qv*).

A specimen of a common form of underwriting letter is given as an inset

It will be seen, on a careful examination, that the letter itself, leaving out of consideration for a moment the last few lines as to acceptance, is only an offer on the part of the underwriter to take shares. Before a binding contract can be made the offer must be accepted, and that is why the letter itself generally has, at the end, the form of acceptance shown in the example. An underwriting agreement, like any other, may be made subject to any conditions precedent, and until these conditions are performed the underwriter is in no way bound. But the terms of the underwriting contract may be, and frequently are, so worded as to give the underwriter very little choice in the matter when once he has been induced to sign the document, and it may turn out that he has shut himself off from all preliminary notices. The letter may, in fact, be an acceptance and not an offer. It is, therefore, most essential that a person who is induced to underwrite should understand most clearly the contract into which he is entering. As in every case of contract, when offer and acceptance are necessary, the offer may be withdrawn at any time before it is actually accepted. This applies to a simple contract only, if the contract is made by deed, a second deed is necessary to effect a revocation.

If underwriting is done by a few individuals on a large scale, it is not at all uncommon for sub-underwriting to be carried out. The underwriter may undertake to be responsible for, say, 20,000 shares, and his commission is fixed. By judicious manipulation he induces his friends and acquaintances to come in for a few hundreds each. Great care is required in such a case, as the contract may turn out to be made with the underwriter and not with the company, and the remedy, in case of difficulties, may be a very doubtful one. And if the underwriter once accepts the offer of the sub-underwriters to subscribe, the contract is irrevocable, as the underwriter is fully authorised to apply for the shares named, having obtained what is called "an authority coupled with an interest."

As already stated in the quotation above, placing shares must be carefully distinguished from underwriting. A person who underwrites contracts to take shares, and he is liable to have his name placed on the register of shareholders provided everything is in order. A person who undertakes to place shares only contracts to find other persons who will become shareholders in the company. He is not liable to have his name entered on the register as a shareholder, but he may render himself liable in damages for breach of contract if he fails to place the shares, and all the necessary elements of a simple contract are present in the case. The payment of a commission for placing shares is quite legal if the matter is disclosed in the same way as underwriting is disclosed. It has always been legal to pay a certain commission to a broker for work done in connection with floating a company, and

[FACSIMILE OF UNDERWRITING LETTER]

UNDERWRITING LETTER.

No.

**CANADA IRRIGATION LAND COMPANY,
LIMITED.**

Proposed issue of £200,000 Five per Cent. Debentures at 98.

To the PROMOTING FINANCE COMPANY, LIMITED,

50 AUSTIN FRIARS, LONDON, E.C.

GENTLEMEN,—

1. I/We agree for the consideration below stated, to subscribe for £ Debentures of the above issue, and to pay for the same on the conditions named in the Prospectus, a draft of which has been shown to me/us, or any modification thereof as finally issued, as long as the amount of the Debenture issue and the amounts payable on application and allotment are not altered.

2. I/We undertake to sign an application for such Debentures or any smaller amount, when requested by you so to do, and to hand you therewith a cheque in payment of the deposit of £5 per cent. on the amount of such Debentures, and I/we undertake to pay the further moneys payable in respect of any Debentures I/we have to take up under the terms of this contract.

3. If, on the public issue of the Prospectus, £200,000 Debentures are allotted in response to subscriptions from the public, my/our responsibility is to cease, and no allotment is to be made to me/us in respect hereof. If the whole of the Debentures shall not be allotted, but any smaller amount, my/our undertaking is to stand for the amount of Debentures that constitute my/our *pro rata* contribution, with other underwriters, to make up the difference between the amount subscribed by the public and the amount underwritten. Provided always that such issue is made within three months from this date.

4. You are to pay or cause to be paid to me/us, in consideration of this undertaking, a commission of 3 per cent. in cash on the amount of Debentures hereby underwritten, such commission to be paid to me/us within 28 days after the first allotment of Debentures, whether I/we am/are required to accept an allotment of Debentures or not, but if an allotment be made to me/us, no commission is to be payable until the allotment moneys payable by me/us have been paid, and you may apply the commission in or towards payment of such moneys.

5. This Agreement is to be irrevocable on my/our part, and to be sufficient in itself to authorise you in the event of my/our not applying for or attempting to withdraw my/our application for the said Debentures as above-mentioned, to apply for such Debentures in my/our name and on my/our behalf, and to authorise the Directors of the Company to allot such Debentures to me/us thereon; and in the event of your applying for such Debentures in my/our name, I/we undertake and agree to hold you harmless and indemnified in respect of such application.

Signature

Address.....

Date

We accept you as an underwriter of £... Debentures on the terms stated.

..... 19...

To

(1435) *but, pp. 1688 and 1689*

this right is specially preserved by the Act of 1908.

As to the amount of the commission which ought to be paid for underwriting, this is a matter which has given rise to difficulties on more than one occasion. No limit is placed by the Act upon the amount, and so long as there is a proper disclosure it would appear that the rate may be as high or as low as the parties choose.

An agreement to underwrite capital requires the usual sixpenny agreement stamp. If the contract is under seal, a ten shilling deed stamp is necessary. No additional power of attorney stamp is necessary.

If the underwriter has been induced to underwrite by means of misrepresentations, he will clearly be allowed to avoid his contract. It very frequently happens that the inducement to underwrite is contained in some preliminary document which is put forward by the promoters before the prospectus is finally prepared. If this document contains misrepresentations, the underwriter is entitled to relief in the shape of repudiating his contract to take shares. But the court will not stretch a point in favour of an underwriter. Being, generally, a speculative person, it is his business to look into all matters which may affect him with the utmost care, and considerations which would tell in favour of an ordinary shareholder will not always apply to him.

The following example will suffice to explain the procedure when shares are underwritten.

The New Co., Ltd., offers for subscription 150,000 shares of £1 each, and these are entirely and equally underwritten by A, B, and C in consideration of the payment of a commission of 4 per cent. and an over-riding commission of 1 per cent.

A interests and introduces his friends, "group" or "crowd" as they are sometimes termed, and obtains the sub-underwriting of M and N, the former for 20,000 and the latter for 15,000 shares.

B obtains O and P, who each underwrite 7,500 shares, and C obtains Q and R, the former underwriting 10,000 and the latter 5,000.

Sometimes the underwriters and sub-underwriters have special arrangements between themselves as to the apportionment of the commission due to them. Subject thereto we may solve the problem as under:—

A's position	Shares
He underwrites	50,000
and obtains underwriting for	
M	20,000
N	15,000
	<u>35,000</u>
	15,000

His share of the apportionment may be stated—

4% on 15,000	£600
1% " 15,000	150
1% " 35,000	350
	<u>1,100</u>

and M	4% on 20,000	£800
N	4% " 15,000	600
		<u>1,400</u>
		<u>£2,500</u>

B's position—	Shares.
He underwrites	50,000
and obtains underwriting for:	
O	7,500
P	7,500
	<u>15,000</u>
	35,000

and the allocation of the remuneration is—

B	4% on 35,000	£1,400
	1% " 35,000	350
	1% " 15,000	150
		<u>1,900</u>
O	4% on 7,500	£300
P	4% " 7,500	300
		<u>600</u>
		<u>£2,500</u>

C's proportion is

He underwrites	Shares
and obtains underwriting for	
Q	10,000
R	5,000
	<u>15,000</u>
	35,000

The remuneration is apportionable—

	4% on 35,000	£1,400
	1% " 35,000	350
	1% " 15,000	150
		<u>1,900</u>
O	4% on 10,000	£400
R	4% " 5,000	200
		<u>600</u>
		<u>£2,500</u>

	Commission
A and his syndicate in group	£2,500
B	2,500
C	2,500
	<u>£7,500</u>

5% on £150,000 = £7,500

We may now show the result as below—

Name	Underwriting Commission	Over-riding Commission
A	£600	£500
M	800	
N	600	
B	1,400	500
O	300	
P	300	
C	1,400	500
Q	400	
R	200	
	<u>£6,000</u>	<u>£1,500</u>
		<u>£7,500</u>

UNDISCHARGED BANKRUPT.—A person who has been made bankrupt and has not been released from his disability by the court.

UNDUE INFLUENCE.—The law of England is very careful as to absolute freedom of contract,

and if it can be shown that any special pressure has been brought to bear upon a person, the pressure being of such a character as not to allow of absolute free-will, the contract entered into may be declared void when all the circumstances of the case have been taken into consideration. In the majority of instances there will be no presumption of undue influence, but if there exists the relationship of parent and child, guardian and ward, solicitor and client, trustee and beneficiary, confessor and penitent, or medical man and patient, it will be necessary for the recipient of a benefit, in case the same is questioned, to show that before any gift or settlement was made, the donor was a free agent and had independent advice in the transaction, and that he thoroughly understood its nature. Otherwise the gift may be declared void as having been obtained through undue influence. When it is a will that is in question, the presumption is always in favour of its validity, and the burden of proof (*q.v.*) of anything which would tend to show undue influence is upon the person who wishes to upset the will.

UNDUE PREFERENCE.—One of the grounds upon which the discharge of a bankrupt may be refused or suspended is that he has given an undue preference to one or more of his creditors. The duty of a man who is unable to pay his debts as they become due is not to prefer one creditor to another. It follows that it is dangerous for any trader who is in difficulties to take upon himself to distribute his estate, and to pay creditors, even though they are creditors who might be entitled to a preference in his bankruptcy. The question whether there has been an undue preference is one of fact, but it is practically certain that if a person pays a creditor in full during the three months before the receiving order, because he has received services from or is a friend of that creditor, he commits the offence of giving an undue preference, unless it is absolutely certain that the creditor would in the bankruptcy have been paid before the others.

UNEARNED INCREMENT.—(See INCREMENT, UNEARNED)

UNEMPLOYED WORKMEN ACT.—(See LABOUR EXCHANGES)

UNEMPLOYMENT INSURANCE.—As mentioned in the article on NATIONAL INSURANCE, the law as to insurance against unemployment, which was formerly included with that of health insurance in the National Insurance Acts, is now contained in the Unemployment Insurance Act, 1920. The Act is so important that, for reference purposes, it has been thought advisable to set it out here in full.

Insured Persons. 1 Subject to the provisions of this Act, all persons of the age of sixteen and upwards who are engaged in any of the employments specified in Part I of the First Schedule to this Act, not being employments specified in Part II of that schedule (in this Act referred to as "employed persons"), shall be insured against unemployment in manner provided by this Act.

2. Every person who being insured under this Act is unemployed and in whose case the conditions laid down by this Act (in this Act referred to as "statutory conditions") are fulfilled shall be entitled, subject to the provisions of this Act, to receive payments (in this Act referred to as "unemployment benefit"), at weekly or other prescribed intervals, at such rates and for such periods as are authorised by or under the Second Schedule to this Act, so long as the statutory conditions

continue to be fulfilled and so long as he is not disqualified under this Act for the receipt of unemployment benefit.

3.—(1) Where any employed person proves that he is either—

(a) in receipt of any pension or income of the annual value of twenty-six pounds or upwards, which does not depend on his personal exertions; or

(b) ordinarily and mainly dependent for his livelihood upon some other person; or

(c) ordinarily and mainly dependent for his livelihood on the earnings derived by him from an occupation employment in which does not make him an employed person within the meaning of this Act,

he shall be entitled to a certificate exempting him from liability to become or to continue to be insured under this Act.

(2) All claims for exemption shall be made to and certificates of exemption granted by the Minister in the prescribed manner and subject to the prescribed conditions, and may be so made and granted before as well as after the commencement of this Act:

Provided that regulations under this Act may provide that any certificates of exemption granted under section two of the National Insurance Act, 1911, or any class of such certificates, shall have effect as if they had been granted under this section as well as under that section.

4.—(1) The Minister may, with the approval of the Treasury, by order provide for including among the persons employed within the meaning of this Act any persons engaged in any of the excepted employments specified in Part II of the First Schedule to this Act, or any class or description of the persons so engaged, either unconditionally or subject to such conditions as may be specified in the order.

(2) Before any such order is made a draft thereof shall be laid before each House of Parliament for a period of not less than twenty days during which the House is sitting, and if either House, before the expiration of that period presents an Address to His Majesty against the draft or any part thereof, no further proceedings shall be taken thereon, but without prejudice to the making of any new draft order.

Contributions. 5.—(1) The funds required for providing unemployment benefit and for making any other payments which under this Act are to be made out of the unemployment fund established under this Act shall be derived partly from contributions by employed persons, partly from contributions by the employers of those persons, and partly from moneys provided by Parliament.

(2) Subject to the provisions of this Act, every employed person and every employer of any such person shall be liable to pay contributions at the rates specified in Part I of the Third Schedule to this Act.

(3) There shall, subject to the provisions of this section, be paid out of moneys provided by Parliament in respect of each weekly contribution paid by an employer in respect of a man, woman, boy or girl, a contribution at the ordinary rate specified in Part II of the Third Schedule to this Act as regards men, women, boys and girls, respectively, and the sums to be contributed in any year shall be paid in such manner, and at such times as the Treasury may determine.

For the purpose of calculating the amount of the contribution under this subsection, while and in so far as contributions are paid by means of unemployment

insurance stamps, the number of contributions paid in respect of men, women, boys and girls, respectively, in any year shall be deemed to be represented by the number of stamps appropriate to contributions by men, women, boys and girls, respectively, sold in that year, after deducting—

(a) the number (calculated in the prescribed manner), of stamps of each class which have been used for the purpose of paying contributions otherwise than under the general provisions of this Act; and

(b) the number of stamps of each class in respect of which a refund has been made; and

(c) such contributions as have been returned in respect of persons in respect of whom contributions were paid under the erroneous belief that they were payable in respect of those persons under the general provisions of this Act

(4) Except where regulations under this Act otherwise prescribe, the employer shall in the first instance be liable to pay both the contribution payable by himself (in this Act referred to as "the employer's contribution") and also, on behalf of and to the exclusion of the employed person, the contribution payable by that person, and subject to any such regulations shall be entitled to recover from the employed person, by deduction from his wages or otherwise, the amount of the contributions so paid by him on behalf of the employed person in accordance with the rules set out in the Fourth Schedule to this Act.

(5) Contributions shall not be payable in respect of any person who is in receipt of an old-age pension under the Old Age Pensions Act, 1908 to 1919.

(6) Where it has been decided by the Minister in manner provided by this Act that contributions under this Act are not payable in respect of any person or any class of persons, and that decision is subsequently revised or reversed on appeal so as to make contributions payable in respect of that person or that class of persons, contributions shall be so payable only as from the date on which the decision was so revised or reversed.

(7) The employer of a person who, though an employed person within the meaning of this Act, is not insured under this Act by reason that he is obtained and holds a certificate of exemption under this Act shall be liable to pay the like contributions as would have been payable by him as employer's contributions if that person had been a person liable to be insured under this Act, and regulations made under this Act may provide that in the event of that person subsequently becoming so insured every two contributions paid in respect of him under this subsection shall be treated as if they had been one full contribution paid in respect of him as an employed person under the other provisions of this Act.

The contributions to be paid out of moneys provided by Parliament in respect of contributions paid under this subsection in respect of exempt persons shall be at the rates specified in Part II of the Third Schedule to this Act in reference to such persons.

§ Subject to the provisions of this Act, the Minister may make regulations providing for any matters incidental to the payment and collection of contributions payable under this Act, and in particular for—

(a) payment of contributions by means of adhesive or other stamps (in this Act referred to as "unemployment insurance stamps") affixed

to or impressed upon books or cards (in this Act respectively referred to as "unemployment books" and "unemployment cards"), or otherwise, and for regulating the manner, times, and conditions in, at, and under which unemployment insurance stamps are to be affixed or impressed or payments are otherwise to be made;

(b) the entry in or upon unemployment books or cards of particulars of contributions and benefits paid in the case of the persons to whom the unemployment books or cards relate;

(c) the issue, sale, custody, production, and delivery up of unemployment books or cards and the replacement of unemployment books or cards which have been lost, destroyed, or defaced.

Unemployment Benefit. 7—(1) The statutory conditions for the receipt of unemployment benefit by a person insured under this Act (in this Act referred to as "an insured contributor") are—

(i) that he proves that not less than twelve contributions have been paid in respect of him under this Act;

(ii) that he has made application for unemployment benefit in the prescribed manner, and proves that since the date of the application he has been continuously unemployed;

(iii) that he is capable of and available for work, but unable to obtain suitable employment;

(iv) that he has not exhausted his right to unemployment benefit under this Act;

(v) that, if he has been required by an insurance officer, in pursuance of regulations made under this Act by the Minister after consultation with the Board of Education, to attend at any course of instruction approved for the purposes of this provision under the regulations so made, he proves that he duly attended in accordance with the requirement;

Provided that a person shall not be deemed to have failed to fulfil the statutory conditions by reason only that he has declined—

(a) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute; or

(b) an offer of employment in the district where he was last ordinarily employed at a rate of wage lower, or on conditions less favourable, than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed; or

(c) an offer of employment in any other district at a rate of wage lower, or on conditions less favourable, than those generally observed in that district by agreement between associations of employers and of employees, or, failing any such agreement, than those generally recognised in that district by good employers.

(2) For the purposes of this Act—

(a) A person shall not be deemed to be unemployed on any day on which he is following any occupation from which he derives any remuneration or profit, unless that occupation has ordinarily been followed by him in addition to his usual employment and outside the ordinary working hours of that employment, and the remuneration received therefrom in respect of that day does not exceed three shillings and fourpence, or, where the remuneration is payable in respect of a period longer than a day, the remuneration does not on the daily average exceed that amount;

(b) Two periods of unemployment of not less than two days each, separated by a period of not

more than two days, during which the insured contributor has not been employed for more than twenty-four hours or two periods of unemployment of not less than three days each separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment, and the expression "continuously unemployed" shall have a corresponding meaning.

8—(1) An insured contributor who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed shall be disqualified for receiving unemployment benefit so long as the stoppage of work continues, except in a case where he has, during the stoppage of work, become *bona fide* employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation.

Where separate branches of work which are commonly carried on as separate businesses in separate premises are in any case carried on in separate departments on the same premises, each of those departments shall, for the purposes of this provision, be deemed to be a separate factory or workshop or separate premises, as the case may be.

(2) An insured contributor who loses his employment through his misconduct, or who voluntarily leaves his employment without just cause, shall be disqualified for receiving unemployment benefit for a period of six weeks or such shorter period, not being less than one week, as may be determined under the provisions of this Act from the date when he so lost or left his employment.

(3) An insured contributor shall be disqualified for receiving unemployment benefit while he is an inmate of any prison or any workhouse or other institution supported wholly or partly out of public funds, or, subject to the provisions of this Act, while he is resident, whether temporarily or permanently, outside the United Kingdom.

(4) Where no contributions are paid in respect of any person during any insurance year, he shall, unless the non-payment of contributions was due to his being sick, be disqualified for receiving unemployment benefit until twelve contributions, exclusive of any contributions paid in respect of him before that year, have been paid in respect of him under this Act, and a person in respect of whom no contributions have been paid during a period comprising five insurance years shall if contributions are subsequently paid in respect of him, be treated as if he had not previously been an insured contributor.

(5) An insured contributor shall be disqualified for receiving unemployment benefit while he is in receipt of any sickness or disablement benefit or disablement allowance under the National Insurance Health Acts, 1911 to 1920, or while he is in receipt of an old age pension under the Old Age Pensions Acts, 1908 to 1919.

9 Subject to the provisions of this Act, every assignment of, or charge on, and every agreement to assign or charge, any of the benefits conferred by this Act shall be void, and, on the bankruptcy of any person entitled to any such benefit, the benefit shall not pass to any trustee or other person acting on behalf of his creditors.

Determination of Questions, Claims, etc. 10

(1) If any question arises—

(a) as to whether any employment or any class of employment is or will be such employment as to make the person engaged therein an employed

person within the meaning of this Act or whether a person is or was an employed person within the meaning of this Act, or

(b) Whether a person or class of persons is or is not a person or class of persons to whom a special or supplementary scheme under this Act applies, or

(c) as to who is the employer of any employed person, or

(d) as to the rate of contribution payable under or in pursuance of this Act by or in respect of any person or class of persons or as to the rates of contribution payable in respect of any employed person by the employer and that person respectively.

the question shall be decided by the Minister:

Provided that—

(i) any person aggrieved by the decision of the Minister on any such question may appeal from that decision to the High Court,

(ii) the Minister may, if he thinks fit, instead of himself deciding any such question, refer the question for decision to the High Court.

(2) The Minister may, on new facts being brought to his notice, revise any decision given by him under this section, other than a decision against which an appeal is pending or as respects which the time for appealing has not expired, and an appeal shall lie against any such revised decision in the same manner as against an original decision.

(3) Provision shall be made by rules of court for regulating appeals and references to the High Court under this section, and those rules shall provide for limiting the time within which an appeal may be brought and for the determination in a summary manner of any such appeals or references, and for requiring notice of any such appeals to be given to the Minister.

(4) The Minister shall be entitled to appear and be heard on any appeal or reference under this section.

(5) Notwithstanding anything in any Act, an appeal under this section shall be to a single judge of the High Court to be nominated by the Lord Chancellor for the purpose, and the decision of the High Court on an appeal or reference under this section shall be final.

(6) In the application of this section to Scotland the Court of Session shall be substituted for the High Court and the Lord President of the Court of Session shall be substituted for the Lord Chancellor, and, in the application of this section to Ireland, the Lord Chancellor of Ireland shall be substituted for the Lord Chancellor.

(7) The Minister in exercising the power of deciding questions vested in him by this section shall have regard to the decisions given by the umpire under the enactments repealed by this Act.

(8) This section shall come into operation on the passing of this Act.

11—(1) All claims for unemployment benefit, and all questions whether the statutory conditions are fulfilled in the case of any person claiming such benefit, or whether those conditions continue to be fulfilled in the case of a person in receipt of such benefit, or whether a person is disqualified for receiving or continuing to receive such benefit, or whether the period for which an insured contributor who has lost his employment through his misconduct or who has voluntarily left his employment without just cause is to be disqualified should be some period less than six weeks, or otherwise arising

in connection with such claims, shall, subject to the provisions of this section, be determined by one of the officers appointed under this Act for determining claims to unemployment benefit (in this Act referred to as "insurance officers")

Every insurance officer shall forthwith take into consideration any claim or question submitted for his determination under the provisions of this subsection, and shall so far as practicable give his decision thereon within fourteen days from the date on which the claim or question was so submitted.

(2) In any case where unemployment benefit is refused or is stopped, or where the amount of the benefit allowed is not in accordance with the claim, the person claiming benefit or in receipt of benefit, as the case may be, may, at any time within twenty-one days from the date on which the decision of the insurance officer is communicated to him, or within such further time as the Minister may in any particular case for special reasons allow, require the insurance officer to report the matter to a court of referees constituted in accordance with this Act, and the court of referees, after considering the circumstances, shall make to the insurance officer such recommendations on the case as they may think proper, and the insurance officer shall, unless he disagrees, give effect to those recommendations.

Where an insurance officer is required to report any matter to the court of referees under this subsection he shall so report the matter within seven days after the date on which he is required so to do, or so soon thereafter as is practicable.

(3) If the insurance officer disagrees with any recommendation made by a court of referees under this section, he shall, if so requested by the court of referees, refer the recommendation with his reasons for disagreement, to the umpire appointed under this Act.

(4) The insurance officer, in any case in which he considers it expedient to do so, may, instead of himself determining the claim or question, refer it to a court of referees, and if an insurance officer so refers any matter the provisions of the foregoing subsection shall apply as if he had reported the matter to a court of referees.

(5) Where a recommendation has been made under this section, in the case of any person, by a court of referees, any association of employed persons of which that person is a member, and with the consent of the court that person, may require the insurance officer to refer the matter to the umpire, and the insurance officer if so required shall refer the matter to the umpire accordingly.

(6) Where in pursuance of this section any recommendation made by a court of referees is referred by an insurance officer to the umpire, the decision of the umpire in the matter shall be final and conclusive.

(7) Where any person affected by a recommendation on which is referred to the umpire under this section is requested by the umpire to attend before him on the consideration of the case and so attends, he shall be paid, out of moneys provided by Parliament, such travelling and other allowances (including compensation for loss of remunerative time) as the Minister, with the sanction of the Treasury, may determine.

(8) Nothing in this section shall be construed as preventing an insurance officer or umpire, or a court of referees, on new facts being brought to his or their knowledge, revising a decision or

recommendation given in any particular case, but, where any such revision is made, the revised decision or recommendation shall, subject as hereinafter provided, have effect as if it had been an original decision or recommendation, and the foregoing provisions of this section shall apply accordingly, without prejudice to the retention of any benefit which may have been received under the decision or recommendation which has been revised:

Provided that, where upon a recommendation by a court of referees unemployment benefit is, in accordance with regulations made under this Act, paid during any period intervening between the claim for benefit and the final determination of the claim, the benefit shall, except where the regulations otherwise prescribe, be treated, notwithstanding that the final determination of the question is adverse to the claim, as having been duly paid and shall not be recoverable from the employed person under the provisions of this Act or otherwise.

(9) The Arbitration Act, 1889, shall not apply to proceedings under this Act, except so far as it may be applied by regulations under this Act.

(10) For the purposes of proceedings under this Act in Ireland, regulations may apply all or any of the provisions of the Common Law Procedure Amendment Act (Ireland), 1856, with respect to arbitration.

12 (1) For the purposes of this Act, an umpire and one or more deputy-umpires may be appointed by His Majesty, and insurance officers shall be appointed by the Minister (subject to the consent of the Treasury as to number), and the insurance officers shall be appointed to act for such areas as the Minister directs.

(2) Unless the context otherwise requires, any reference in this Act to the umpire shall include a reference to a deputy-umpire.

(3) The Minister may appoint such other officers, inspectors, and servants for the purposes of this Act as the Minister may, with the sanction of the Treasury, determine, and there shall be paid, out of moneys provided by Parliament, to the umpire, deputy umpires, and insurance officers and to such other officers, inspectors, and servants, such salaries or remuneration as the Treasury may determine, and any expenses incurred by the Minister in carrying this Act into effect, to such amount as may be sanctioned by the Treasury, shall be defrayed out of moneys provided by Parliament.

Provided that such sum as the Treasury may direct, not exceeding one-tenth of the receipts paid into the unemployment fund established under this Act on account of income, after deducting, so long as regulations made under this Act provide for the payment of contributions by means of unemployment insurance stamps, any sums which have been funded on account of any such stamps or on account of contributions paid (whether by stamps or otherwise) in respect of a person under the erroneous belief that the contributions were payable in respect of him under the general provisions of this Act, shall, in accordance with regulations made by the Treasury, be applied as an appropriation in aid of the moneys provided by Parliament for the purpose of such salaries, remuneration, and expenses as aforesaid, and also, if and in so far as may be prescribed, for the purpose of any expenses incurred by any other Government Department for the purposes of or in connection with this Act.

13.—(1) A court of referees for the purpose of this Act shall consist of one or more members chosen to represent employers, with an equal number of members chosen to represent insured contributors, and a chairman appointed by the Minister.

(2) Regulations under this Act may provide that any claim or question which is reported or referred to a court of referees may, with the consent of the claimant or the person or association in whose case the question arises, but not otherwise, be proceeded with in the absence of any member or members of the court other than the chairman, and in any such case the court shall, notwithstanding anything in this Act, be deemed to be properly constituted, and the chairman shall, if the number of the members of the court is an even number, have a second or casting vote.

(3) Panels of persons chosen to represent employers and insured contributors respectively shall be constituted by the Minister for such districts and such trades or groups of trades as the Minister may think fit, and the members of a court of referees to be chosen to represent employers and insured contributors shall be selected from those panels in the prescribed manner.

(4) Subject as aforesaid, the constitution of courts of referees shall be determined by regulations under this Act.

(5) Regulations under this Act may provide for the reference to central or local committees representing employers and employed persons, for consideration and advice, of questions bearing upon the administration of this Act.

(6) The Minister may pay such remuneration to the chairman and other members of a court of referees, and such travelling and other allowances (including, subject as hereinafter provided, compensation for loss of remunerative time) to any such chairman or members or to any persons required to attend before any such court, and such other expenses in connection with any referees as the Minister with the sanction of the Treasury determines, and any such payments shall be treated as expenses incurred by the Minister in carrying this Act into effect.

Provided that compensation for loss of time shall not be paid to any person in respect of any time during which he is in receipt of remuneration under this section.

Financial Provisions. 14.—(1) For the purposes of this Act, there shall be established, under the control and management of the Minister, a fund called the unemployment fund, into which shall be paid all contributions payable under this Act by employers and employed persons and out of moneys provided by Parliament, and out of which shall be paid all claims for unemployment benefit and any other payments which under this Act are payable out of the fund.

(2) The accounts of the unemployment fund shall be audited by the Comptroller and Auditor-General in such manner as the Treasury may direct.

(3) Any moneys forming part of the unemployment fund may from time to time be paid over to the National Debt Commissioners and by them invested, in accordance with regulations made by the Treasury, in any securities which are for the time being authorised by Parliament as investments for savings banks funds.

(4) The National Debt Commissioners shall present to Parliament annually an account of the

securities in which moneys forming part of the unemployment fund are for the time being invested.

15.—(1) If it appears to the Treasury at any time that the unemployment fund is in all the circumstances of the case in danger of becoming insolvent, the Minister shall, if the Treasury so direct, by order make such temporary modifications in any of the rates of contribution, or the rates or periods of unemployment benefit, and during such period, as the Minister thinks fit, and as will on the whole, in the opinion of the Treasury, be sufficient to secure the solvency of the unemployment fund:

Provided that no order under this section shall—

(a) come into force until one month after it is made, or

(b) reduce the weekly rate of unemployment benefit below the sum, in the case of men, of thirteen shillings, and, in the case of women, of ten shillings, or

(c) increase the rates of contribution by more than one penny from the employer and one penny from the employed person per person per week, or

(d) increase those rates unequally as between employers and employed persons.

(2) An order under this section shall not be made so as to be in force at any time while any previous order made under this section is in force.

(3) On an order being made under this section the Minister shall cause the order, together with a special report as to the reasons for making the order, to be laid before Parliament.

16 If at any time after the expiration of seven years from the commencement of this Act it appears to the Minister that the unemployment fund is insufficient or more than sufficient to discharge the liabilities imposed upon the fund under this Act, or that the rates of contribution are excessive or deficient, or if at any time after the expiration of three years from the commencement of this Act it appears to the Minister that an equalisation of contribution and benefit between men and women is desirable the Minister may, with the sanction of the Treasury, by special order, made in manner hereinafter provided, revise the rates of contribution of employers and employed persons under this Act, and, where any such order is made, the rates prescribed by the order shall, as from such date as may be specified in the order, be substituted for the rates prescribed by this Act.

Provided that—

(a) Where a revision of the rates of contribution has been made under this section, no further revision shall be made under this section before the expiration of seven years from the last revision, and

(b) No order under this section shall increase the rates of contribution by more than one penny from the employer and one penny from the employed person per person per week above the rates specified in the Third Schedule to this Act, and

(c) No order under this section shall vary the rates of contribution unequally as between employers and employed persons.

Arrangements. 17.—(1) Subject as hereinafter provided, the Minister may, on the application of any society approved under the National Insurance Act, 1911, or body ancillary thereto, or any other association of employed persons (other than any such society, body, or association being an industrial assurance company or a collecting society, or a separate section of such company or society, or a society organised by such company

or society solely or jointly with other bodies), being a society or other association the rules of which provide for payments to its members, or any class thereof, while unemployed, make an arrangement with the society or other association that, in lieu of paying unemployment benefit under this Act to persons who prove that they are members of the society or other association, there shall be repaid periodically to the society or other association out of the unemployment fund such sum as appears to be, as nearly as may be, equivalent to the aggregate amount which those persons would have received during that period by way of unemployment benefit under this Act if no such arrangement had been made.

Provided that the Minister shall not make or continue an arrangement with a society or other association under this section—

(a) Unless he is of opinion that the payments authorised by the rules of the society or other association to be made to its members when unemployed (inclusive of any payments in respect of which a refund may be made to the society or other association under this section) represent a provision for unemployment as respects such of its members as are employed persons which during the period between the commencement of this Act and the thirty-first day of July nineteen hundred and twenty one exceeds the provision represented by unemployment benefit at the rate payable under this Act by an amount which is equal to at least one-third of the provision represented by unemployment benefit at the rate payable before the commencement of the National Insurance (Unemployment) Act, 1919, and which thereafter is at least one-third greater than the provision represented by unemployment benefit at the rate payable under this Act.

(b) Unless the society or association has such a system of ascertaining the wages and conditions prevailing in every employment within the meaning of this Act in which its members are engaged and of obtaining from employers notification of vacancies for employment and giving notice thereof to its members when unemployed as is in the opinion of the Minister reasonably effective for securing that unemployed persons competent to undertake the particular class of work required, shall, with all practicable speed, be brought into communication with employers having vacancies to fill.

(2) The council or other governing body of any society or other association which has made such an arrangement as aforesaid shall be entitled to treat the contributions due from any of its members to the unemployment fund under this Act or any part thereof, as if such contributions formed part of the subscriptions payable by those members to the society or other association, and, notwithstanding anything in the rules of the society or other association to the contrary, may reduce the rates of subscription of those members accordingly.

(3) For the purpose of this Act, the amount of any sum which, but for this section, would have been paid to any person by way of unemployment benefit shall be deemed to have been so paid.

(4) The Minister may make regulations for giving effect to this section, and for referring to insurance officers, courts of referees, or the umpire appointed under this Act any question which may arise under this section.

(5) The fact that persons other than employed persons can be members of a society or other association shall not prevent the society or other association being treated as an association for the purposes of this section, if the society or other association is substantially a society or other association for the benefit of employed persons.

(6) The Minister may, with the consent of the Treasury and subject to such conditions and otherwise as the Minister may prescribe, pay to any society or other association with which an arrangement under this section is in force by way of contribution towards the administrative expenses of the society or other association in connection with the arrangement, such sum, not exceeding in any year an amount calculated at the rate of one shilling for each week of the aggregate number of weeks of unemployment in respect of which a repayment is made to the society or other association under this section, as he thinks fit, and any sum so paid shall be treated as part of the expenses incurred by the Minister in carrying this Act into effect.

Schemes. 18—(1) If it appears to the Minister that insurance against unemployment in any industry can be more satisfactorily provided for by a scheme under this section than by the general provisions of this Act, the Minister may, subject to the provisions of this section, approve or make such a scheme, and any such scheme is in this Act referred to as "a special scheme."

(2) The Minister may by special order approve for the purposes of this section, and whether with or without amendment, any scheme which is made in respect of any industry by a joint industrial council or an association of employers and employees and which provides for the insurance against unemployment of all the employed persons in the industry, or all those persons other than any specified classes thereof, and the benefits under which are in the opinion of the Minister not less favourable on the whole than the benefits provided by this Act.

(3) Provision may be made by a special scheme for insuring the persons to whom the scheme applies against partial unemployment as well as against unemployment.

(4) Where no special scheme has been made with respect to an industry by a joint industrial council or association of employers and employees and approved by the Minister, the Minister after consultation with the joint industrial council or with persons representing the employers and employees who would be affected by the scheme may himself by special order make a special scheme with respect to that industry.

(5) A special scheme shall not apply to any persons other than persons who are employed persons within the meaning of this Act.

(6) Where a special scheme is in force, the employed persons to whom the scheme applies shall not, subject to the provisions of this Act, be liable to become or to continue to be insured under the general provisions of this Act, or be entitled to unemployment benefit.

(7) Where a special scheme is in force, there shall, subject to compliance with the prescribed conditions, be paid to the body charged with the administration of the scheme in every year out of moneys provided by Parliament such sum as the Minister, in view of the estimated income and expenditure under the scheme, may by regulations made by him with the consent of the Treasury

determine but not exceeding in any event three-tenths of the amount, calculated in the prescribed manner, which would, if the schemes had not been in force, have been paid by way of contributions under the general provisions of this Act out of moneys provided by Parliament in respect of the employed persons to whom the scheme applies.

(8) A special scheme may apply for the purposes of the scheme, with or without modification, any of the provisions of this Act, and may contain such other provisions, including provisions for the constitution of a body to be charged with the administration of the scheme and with respect to the supervision of the administration of the scheme and accounts, and, subject to the consent of the Treasury, with respect to the investment of funds and audit, as the Minister considers to be necessary for the purpose of giving effect to the scheme and to the provisions of this section.

The general provisions of this Act shall not, except in so far as they are applied by a special scheme, apply to, or have effect in relation to or for the purposes of, any special scheme or the persons insured thereunder.

(9) A special scheme shall, when approved or made by the Minister, have effect as if enacted in this Act and shall continue in force until determined in accordance with the provisions thereof, and the Minister may at any time, in the case of a special scheme made by a joint industrial council or an association of employers and employees on the application of the council or association, and in the case of a scheme made by himself after consultation with persons representing employers and employees affected by the scheme, by special order vary or amend the provisions of a scheme made under this section.

(10) Where a special scheme for any industry comes into force on or before the fourth day of July, nineteen hundred and twenty one, there shall be paid out of the unemployment fund to the body charged with the administration of the scheme such sums as may be determined to be approximately equivalent to the amount of the contributions paid by employers and employed persons during the period between the commencement of this Act and the date on which the scheme comes into force in respect of employed persons while employed in the industry, together with such sum as may be determined to be approximately equivalent to the amount to which, having regard to the number of the contributions aforesaid, the body charged with the administration of the scheme would if the scheme had been in force during the period aforesaid have been entitled under subsection (5) of this section, after deducting such sum as may be determined to be approximately equivalent to the amount paid or payable out of the unemployment fund to employed persons in the industry at any time before they cease to be entitled to benefit under the general provisions of this Act, together with such sum as may be determined to be approximately equivalent to the rateable part of the costs of administering the general provisions of this Act.

In this subsection the expression "determined" means determined in accordance with regulations made under this Act by the Minister with the approval of the Treasury.

(11) A special scheme may be made with respect to two or more industries, and in relation to a scheme so made or proposed to be so made this

section shall have effect as if for the references therein to a joint industrial council or an association of employers and employees there were substituted references to joint industrial councils or associations of employers and employees acting in respect of the two or more industries.

(12) For the purposes of this section —

The expression "industry" means any class or classes of establishments or undertakings, or any class or classes of establishments or undertakings in any area, which the Minister may determine to be an industry for that purpose, and

The expression "association of employers and employees" means an association so constituted that the members of the association who are employers consist of persons employing a substantial majority of the employees in the industry and the members who are employees consist of persons representing a substantial majority of the employees in the industry, and

A person shall be deemed, notwithstanding that he is employed on any day, to be partially unemployed if on that day the employment available for him is not such as to enable him to earn the full rate of wages, and the expression "partial unemployment" shall be construed accordingly.

19 The Minister may, with the approval of the Treasury, make regulations for determining and regulating the position of persons who at any time pass from the general provisions of this Act to the provisions of a special scheme, or from the provisions of a special scheme to the general provisions of this Act, or from one special scheme to another special scheme, and in particular for providing that a person shall be entitled, for such period and subject to such terms and conditions as may be specified by or in pursuance of the regulations, to receive unemployment benefit under this Act, or benefits under a special scheme after he has ceased to be subject to the general provisions of this Act or to the scheme, as the case may be.

20 — (1) A joint industrial council or an association of employers and employees may submit to the Minister a scheme for insuring insured contributors in any industry against unemployment during periods of unemployment in respect of which they may not be entitled to unemployment benefit or against partial unemployment, or for paying to any such insured contributors while they are in receipt of unemployment benefit an additional sum by way of benefit in respect of unemployment.

(2) The Minister may by special order approve, whether with or without amendment, any scheme so submitted (in this Act referred to as a "supplementary scheme") if he is satisfied that it is expedient that the scheme should come into operation.

(3) A supplementary scheme may apply, for the purposes of the scheme, with or without modifications, any of the provisions, of this Act, and may contain such other provisions, (including provisions for the constitution of a body to be charged with the administration of the scheme and with respect to the supervision of the administration of the scheme and accounts) as the Minister considers to be necessary for the purpose of giving effect to the scheme.

Provided that —

(a) no part of the funds required for providing benefits under a supplementary scheme of otherwise in connection therewith shall be derived from moneys provided by Parliament; and

(b) the general provisions of this Act shall not, except in so far as they are applied by a supplementary scheme, apply to or have effect in relation to or for the purposes of the scheme

(4) A supplementary scheme, when approved by the Minister, shall have effect as if enacted in this Act and shall continue in force until determined in accordance with the provisions thereof, and the Minister may at any time if so requested by the joint industrial council or association of employers and employees concerned by special order vary or amend the provisions of the scheme

(5) In this section the expressions "industry" and "association of employers and employees" and "partial unemployment" have respectively the same meanings as in the provisions of this Act relating to special schemes.

21. The Minister may make regulations requiring the body charged with the administration of a special scheme, or of a supplementary scheme, to furnish at prescribed intervals returns with respect to the state of employment in the industry to which the scheme relates, and with respect to such other matters in connection with the scheme as may be prescribed

Legal Proceedings. 22—(1) If for the purpose of obtaining any benefit or payment under this Act, either for himself or for any other person or for the purpose of avoiding any payment to be made by himself under this Act, or enabling any other person to avoid any such payment, any person knowingly makes any false statement or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding three months, with or without hard labour

A court of summary jurisdiction in Ireland shall have the same power as a court of summary jurisdiction in England in the case of a person convicted for an offence under this sub-section of imposing a fine not exceeding twenty five pounds instead of imprisonment if the court is of opinion that the justice of the case would be better met by a fine than by imprisonment

(2) If any employer or employed person has failed or neglected to pay any contributions which he is liable under this Act to pay, or if any employer or employed person or any other person refuses or neglects to comply with any of the requirements of this Act or the regulations made thereunder, or if any employer deducts or attempts to deduct from the wages or other remuneration of an employed person the whole or any part of the employer's contribution, he shall, for each offence, be liable on summary conviction to a fine not exceeding ten pounds

(3) Where an employer has been convicted under the foregoing provisions of this section of the offence of failing or neglecting to pay any contribution under this Act, he shall be liable to pay to the unemployment fund a sum equal to the amount which he has so failed or neglected to pay, and on such a conviction if notice of the intention to do so has been served with the summons or warrant, evidence may be given of the failure or neglect on the part of the employer to pay other contributions in respect of the same person during the year preceding the date when the information was so laid, and on proof of such failure or neglect the employer shall be liable to pay to the unemployment fund a sum equal to the total of all the contributions which he is so proved to have failed or neglected to pay.

Any sum paid by an employer under the foregoing provision shall be treated as a payment in satisfaction of the unpaid contributions, and the employed person's portion of those contributions shall not be recoverable by the employer from the employed person

(4) Every person who buys, sells, or offers for sale, takes or gives in exchange, or pawns or takes in pawn, any unemployment card, unemployment book, or used unemployment insurance stamp, shall be liable on summary conviction to a fine not exceeding twenty pounds, and in any proceedings under the foregoing provisions with respect to used stamps, a stamp shall be deemed to have been used if it has been cancelled or defaced in any way whatever, and whether it has been actually used for the purpose of payment of a contribution or not

(5) If it is found at any time that a person has been in receipt of unemployment benefit whilst the statutory conditions were not fulfilled in his case, or whilst he was disqualified for receiving unemployment benefit, he shall, subject to the provisions of this Act, be liable to repay to the unemployment fund any sums paid to him in respect of unemployment benefit while the statutory conditions were not fulfilled, or while he was disqualified for receiving the benefit

(6) Nothing in this section shall be construed as preventing the Minister from recovering any sums due to the unemployment fund by means of civil proceedings, and all such sums shall be recoverable as debts due to the Crown, and without prejudice to any other remedy may be recovered by the Minister summarily as a civil debt

(7) In any proceedings under this section or in any proceedings involving any question as to the payment of contributions under this Act or for the recovery of any sums due to the unemployment fund the decision of the Minister on any question whether a person is or was an employed person within the meaning of this Act or not shall, unless an appeal against the decision is pending, or the time for appealing against the decision has not expired, be conclusive for the purpose of those proceedings, and if such a decision has not been obtained and the decision of the question is necessary for the determination of the proceedings the question shall be referred to the Minister for decision in accordance with the provisions of this Act, and where any such appeal is pending, or the time for so appealing has not expired, or any question has been so referred to the Minister, the court dealing with the case shall adjourn the proceedings until such time as a final decision on the question has been obtained

23—(1) Proceedings for an offence under this Act shall not be instituted except by or with the consent of the Minister or by an inspector or other officer appointed for the purpose of this Act and authorised in that behalf by special or general directions of the Minister, or in Scotland except by the Minister, the procurator-fiscal, or any such inspector or officer so authorised as aforesaid, and any such inspector or other officer may, although not a counsel or solicitor or law agent, prosecute or conduct before a court of summary jurisdiction any such proceedings under this Act.

(2) Notwithstanding any provision in any Act prescribing the period within which summary proceedings may be commenced, proceedings for an offence under this Act may be commenced at

any time within three months from the date on which evidence, sufficient in the opinion of the Minister to justify a prosecution for the offence, comes to his knowledge, or within six months after the commission of the offence, whichever period is the longer.

For the purposes of the foregoing provision, a certificate purporting to be signed by the Minister as to the date on which such evidence as aforesaid came to his knowledge shall be conclusive evidence thereof.

(3) It shall be no objection to the competency of a person to give evidence as a witness in proceedings in Scotland under this Act that the proceedings are prosecuted or conducted by that person.

24—(1) Where an employer has failed or neglected to pay any contributions which under this Act he is liable to pay in respect of any employed person in his employment, or has failed or neglected to comply, in relation to any such person, with the requirements of any regulations relating to the payment and collection of contributions, and by reason thereof that person has lost in whole or in part the unemployment benefit to which he would have been entitled under this Act, he shall be entitled to recover summarily from the employer as a civil debt a sum equal to the amount of the unemployment benefit so lost.

(2) Proceedings may be taken under this section notwithstanding that proceedings have been taken under any other provision of this Act in respect of the same failure or neglect.

Miscellaneous. 25—(1) If it is shown to the satisfaction of the Minister by any person who is or has been an insured contributor or by his personal representatives that that person has paid contributions in accordance with the general provisions of this Act in respect of not less than the required number of weeks, and that he has, or had before his death, reached the age of sixty, he or his representatives shall be entitled to be repaid out of the unemployment fund the amount if any by which the total amount of those contributions exclusive of any contributions refunded under any of the provisions of this Act or of any regulations made thereunder has exceeded the total amount received by him by way of unemployment benefit, together with compound interest at the rate of two and a half per centum per annum calculated in the prescribed manner and as if a proportionate part of the amount of the excess had become due at the end of each insurance year next after the date on which the first contribution was paid by him.

Provided that where no contributions have been paid in respect of any person for a period comprising five insurance years, no account shall, for the purpose of the foregoing provision, be taken of any contributions paid in respect of him before the last such period.

For the purpose of the foregoing provision the expression "the required number of weeks" means in the case of an insured contributor who, at the time when contributions being contributions of which account is to be taken for the purpose of the foregoing provisions, first became payable in respect of him, was over the age of fifty-five, five hundred weeks reduced by fifty weeks for every year or part of year by which his age at that time exceeded fifty-five, and in the case of any other insured contributor, five hundred weeks.

(2) Repayment to an insured contributor under

this section shall not affect his liability to pay contributions under this Act, and if after any such repayment he becomes entitled to unemployment benefit he shall, for the purpose of ascertaining the period during which he is to be entitled to benefit, be treated as having paid in respect of the period for which the repayment was made the full number of contributions which is most nearly equal in the case of men to three-fifths and in the case of women to five-eighths of the number of contributions actually paid during that period.

(3) Where an insured contributor, after receiving a repayment under this section, pays further contributions under this Act he shall, if the number of those further contributions exceeds one hundred, be entitled to a further repayment under this section, and in the case of his death his representative shall be entitled to such further repayment whatever may be the number of those further contributions.

26—(1) There shall be included among the debts which, under section two hundred and nine of the Companies (Consolidation) Act, 1908, are, in the distribution of the assets of a company being wound up to be paid in priority to all other debts, all contributions payable under this Act by the company in respect of employed persons during the four months before the commencement of the winding up or the winding-up order, and that Act shall have effect accordingly, and formal proof of the debts to which priority is given under this section shall not be required except in cases where it may otherwise be provided by rules made under that Act.

(2) In the case of the winding up of a company within the meaning of the Statutes Act, 1887, such contributions as aforesaid shall, if payable in respect of a miner, have the like priority as is conferred on wages of miners by section nine of that Act, and that section shall have effect accordingly.

(3) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

(4) Paragraph (e) of subsection (1) of section thirty-three of the Bankruptcy Act, 1914, and paragraph (i) of subsection (1) of section one hundred and eighteen of the Bankruptcy (Scotland) Act, 1913 (which relate to priority of debts), shall have effect as though for the references therein to contributions payable under the National Insurance Act, 1911, in respect of workmen in an insured trade there were substituted references to contributions payable under this Act in respect of employed persons.

(5) There shall be included among the debts which, under section four of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, are, in the distribution of the property of a bankrupt or arranging debtor, to be paid in priority to all other debts, all contributions payable under this Act by the bankrupt or arranging debtor in respect of employed persons during the four months before the date of the order of adjudication in the case of a bankrupt or the filing of the petition for arrangement in the case of an arranging debtor, and that Act shall have effect accordingly, and formal proof of the debts to which priority is given under this subsection shall not be required except in cases where it may otherwise be provided by general orders made under the said Act.

27 In determining whether outdoor relief shall or shall not be granted to a person in receipt of or entitled to receive unemployment benefit or benefit under a special or supplementary scheme, the authority having power to grant the relief shall not take into account any such benefit except in so far as it exceeds ten shillings a week.

28—(1) The regulations made under this Act shall provide for the return to a person and to his employer of any contributions paid by them respectively under the erroneous belief that the contributions were payable in respect of that person under the general provisions of this Act, subject, in the case of the employed person's contributions, to the deduction of any amount received by him in respect of unemployment benefit to which he would not have been entitled if those contributions had not been paid.

Provided that no return of contributions shall be made under this provision except on an application made in the prescribed manner and within the prescribed period, not being less than one year from the date on which the contributions were paid.

(2) Where under regulations made under this Act any sum has been paid out of the unemployment fund by way of reward for the return of an unemployment book or card which has been lost, the person responsible for the custody of the book or card at the time of its loss shall be liable to repay the sum so paid, not exceeding one shilling in respect of any one occasion.

29—(1) An inspector appointed under this Act shall, for the purposes of the execution of this Act, have power to do all or any of the following things, namely—

(a) To enter at all reasonable times any premises or place, other than a private dwelling-house not being a workshop, where he has reasonable grounds for supposing that any employed persons are employed;

(b) To make such examination and inquiry as may be necessary for ascertaining whether the provisions of this Act are complied with in any such premises or place;

(c) To examine, either alone or in the presence of any other person, as he thinks fit, with respect to any matters under this Act, every person whom he finds in any such premises or place, or whom he has reasonable cause to believe to be or to have been an employed person, and to require every such person to be so examined, and to sign a declaration of the truth of the matters in respect of which he is so examined;

(d) To exercise such other powers as may be necessary for carrying this Act into effect.

(2) The occupier of any such premises or place and any other person employing any employed person, and the servants and agents of any such occupier or other person, and any employed person shall furnish to any inspector all such information and shall produce for inspection all such registers, books, cards, wages sheets, records of wages and other documents as the inspector may reasonably require.

(3) If any person wilfully delays or obstructs an inspector in the exercise of any power under this section or fails to give such information or to produce such documents as aforesaid, or conceals or prevents or attempts to conceal or prevent any person from appearing before or being examined

by an inspector, he shall be liable on summary conviction to a fine not exceeding five pounds;

Provided that no one shall be required under this section to answer any question or give any evidence tending to incriminate himself.

(4) Where any such premises or place are liable to be inspected by inspectors or other officers employed by, or are under the control of, some other Government department, the Minister may make arrangements with that other Government department, for any of the powers and duties of inspectors under this section being carried out by inspectors or other officers of such other Government department, and, where such an arrangement is made, such inspectors and officers shall have all the powers of an inspector under this section.

(5) Every inspector shall be furnished with the prescribed certificate of his appointment, and on applying for admission to any premises or place for the purposes of this Act shall, if so required, produce the said certificate to the occupier.

30 Where any person to whom an advance on account of the expenses of travelling to a place where employment has been found for him has been made under subsection (1) of section two of the Labour Exchanges Act 1909, is an insured contributor who would in the opinion of the Minister be entitled to receive or to continue to receive unemployment benefit if he became or remained unemployed, the Minister may repay out of the unemployment fund to the fund out of which the advance was made such part of the advance as may with the consent of the Treasury be prescribed, but if the person to whom the advance was made fails without reasonable excuse to enter on the employment found for him the sum so repaid out of the unemployment fund may be recovered from him or deducted from any unemployment benefit which may thereafter become payable to him, and if so recovered shall be paid into the unemployment fund.

31 The Minister may, in such cases and on such conditions as he may prescribe, make an arrangement with any employer liable to pay contributions under this Act or under the National Insurance (Health) Acts, 1911 to 1920, whereby in respect of persons engaged by that employer through an employment exchange or in the employ of that employer at the date of the arrangement the performance of all or any of the duties required under this Act or under the National Insurance (Health) Acts, 1911 to 1920, to be performed by the employer in respect of those persons, whether on his own behalf or on behalf of the employed persons, shall be undertaken on behalf of the employer by the employment exchange.

32 Where, for the purposes of this Act, the age, marriage, or death of any person is required to be proved by the production of a certificate of birth, marriage, or death, any person shall, on presenting a written requisition in such form and containing such particulars as may be from time to time prescribed by the Minister of Health, the Scottish Board of Health, or the Local Government Board for Ireland, as the case may be, and, on payment of a fee in the case of a birth certificate of sixpence, and in the case of a marriage or death certificate of one shilling, be entitled to obtain a certified copy of the entry of the birth, marriage, or death, as the case may be, of that person in the register of births, marriages, or deaths, as the case may be, under the hand of the registrar or superintendent

registrar or other person having the custody thereof, and forms for such requisition shall on request be supplied without any charge by every registrar of births and deaths, and by every superintendent registrar or other person having the custody of the register.

33 Unemployment insurance stamps shall be prepared and issued in such manner as the Commissioners of Inland Revenue, with the consent of the Treasury, may direct, and the said Commissioners may, by regulations made in accordance with the provisions of this Act relating to regulations made by the Minister, provide for applying, with the necessary adaptations, as respects unemployment insurance stamps, all or any of the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, as amended by any subsequent Act, and section sixty-five of the Post Office Act, 1908, and may with the consent of the Postmaster-General provide for the sale of unemployment insurance stamps through the Post Office.

34 Stamp duty shall not be chargeable upon such documents used in connection with business under this Act as are specified in the Fifth Schedule to this Act.

35—(1) The Minister may make regulations for any of the purposes for which regulations may be made under this Act or the Schedules thereto, and for prescribing anything which under this Act or any such Schedules is to be prescribed, and also—

(a) for permitting persons who are engaged under the same employer partly in an occupation employment in which makes them employed persons within the meaning of this Act and partly in some other occupation to be treated, with the consent of the employer, for the purposes of this Act, as if they were wholly engaged in the first-mentioned occupation; and

(b) for prescribing the evidence to be required as to the fulfilment of the conditions and the absence of the disqualifications for receiving or continuing to receive unemployment benefit and for that purpose requiring the attendance of insured contributors at such offices or places and at such times as may be required, and requiring employers to answer inquiries relating to any matters on which the fulfilment of the conditions or the absence of the disqualifications depends; and

(c) for prescribing the manner in which claims for unemployment benefit may be made and the procedure to be followed on the consideration and examination of claims and questions to be considered and determined by the Minister, umpire, insurance officers, and courts of referees, and the mode in which any question may be raised as to the continuance, in the case of a person in receipt of unemployment benefit, of the benefit; and

(d) for making provision with respect to the appointment of persons to act in the place of the umpire or any deputy-umpire in the case of the unavoidable absence or incapacity of the umpire or any deputy-umpire; and

(e) with respect to the payment of contributions and benefits during any period intervening between any application for the determination of any question or any claim for benefit and the final determination of the question or claim; and

(f) for providing in the case of any persons who are insured at the commencement of this

Act under the enactments repealed by this Act for the transition from the provisions of those Acts to the provisions of this Act; and

(g) generally for carrying this Act into effect.

(2) Regulations made under this Act may, with the concurrence of the Postmaster-General, provide for enabling claimants of unemployment benefit to make their claims for unemployment benefit through the Post Office, and for the payment of unemployment benefit through the Post Office.

(3) All regulations made under this Act shall be laid before each House of Parliament as soon as may be after they are made, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder, or to the making of any new regulation.

(4) Any regulations made under this Act shall have effect as if enacted in this Act.

(5) Section one of the Rules Publication Act, 1893 (which requires notices to be given of a proposal to make statutory rules), shall not apply to any regulations made under this Act.

36—(1) Sections eighty and eighty-one of the Factory and Workshop Act, 1901, relating to the making of regulations under that Act, as set out and adapted in the Sixth Schedule to this Act, shall apply to special orders made under this Act.

(2) Before a special order comes into force, it shall be laid before each House of Parliament for a period of not less than twenty days during which the House is sitting, and, if either of those Houses before the expiration of those twenty days presents an Address to His Majesty against the order or any part thereof, no further proceedings shall be taken thereon without prejudice to the making of any new order.

37 Any order or special order made under any of the provisions of this Act may be revoked, varied, or amended by an order or special order made in like manner.

38 Anything required or authorised under this Act to be done by, to, or before, the Minister may be done by, to, or before, a secretary to the Minister of Labour or by, to, or before, any assistant secretary to the Ministry or other person authorised in that behalf by the Minister.

39 The Minister may, after consultation with the Board of Trade, make a special order modifying in such manner as he thinks proper the provisions of this Act (other than provisions determining the rates of contributions) in their application to masters, seamen, and apprentices to the sea service and sea fishing service, and in particular, without prejudice to the generality of the foregoing provision, any such special order may provide—

(a) for the exclusion from this Act of any masters, seamen, or apprentices who are neither domiciled nor have a place of residence in the United Kingdom, and for the payment by the employers of such masters, seamen, or apprentices of contributions at the same rates as would have been payable by them as employer's contributions if the masters, seamen or apprentices had been employed persons within the meaning of this Act;

(b) for the administration in the prescribed

manner of the funds arising from the contributions paid by employers in respect of masters, seamen, or apprentices, who are excluded from the provisions of this Act, and for the objects towards which any such funds may be applied.

40—(1) This Act shall apply to persons employed by or under the Crown to whom this Act would apply if the employer were a private person, except to such of those persons as are serving in an established capacity in the permanent service of the Crown, or having been granted certificates by the Civil Service Commissioners are serving a probationary period preliminary to establishment, subject, however, to such modifications as may be made therein by Order in Council for the purpose of adapting the provisions of this Act to the case of such persons.

(2) Where a man of the naval reserves, the army reserve, the air force reserve, or the territorial force, is being trained and is in receipt of pay out of the moneys provided by Parliament for the navy, army, or air force services, and was normally before his training an employed person within the meaning of this Act, he shall for the purposes of this Act be deemed while so training to be an employed person in the service of the Crown.

41 (1) For the purpose of qualifying seamen, marines, soldiers and airmen to receive unemployment benefit on their return to civil life, the Admiralty, Army Council, and Air Council, respectively, shall, subject as hereinafter provided, out of moneys provided by Parliament for Navy, Army and Air Force services, respectively, pay to the unemployment fund by way of employers' and employed persons' contributions in respect of all seamen, marines, soldiers, and airmen discharged from the service after the thirty-first day of July, nineteen hundred and twenty, such sum as may in the opinion of the Treasury be sufficient to enable those seamen, marines, soldiers, and airmen to be credited on discharge with the fixed number of contributions, and every seaman, marine, soldier, and airman who is so discharged shall, for the purposes of the provisions of this Act relating to the rights of an insured person with respect to unemployment benefit but not for any other purpose, be treated as though he were on the date of his discharge an insured contributor in respect of whom the fixed number of contributions have been paid, and who ceases to be employed on that date.

Provided that no such payment shall be made in respect of any person who is, after the commencement of this Act, entitled to receive any sum out of public funds under any scheme for making payments to discharged seamen, marines, soldiers, or airmen in respect of unemployment.

(2) The fixed number of contributions for the purposes of this section shall be ninety unless the Treasury are at any time of opinion that, having regard to the sums payable to the unemployment fund under this section, it is necessary to fix some lower number.

(3) The sums to be paid under this section to the unemployment fund shall be calculated in such manner as the Treasury may direct, and shall be paid to the unemployment fund in such manner and at such dates as may be agreed upon between the Minister and the Admiralty, Army Council, and Air Council, respectively.

(4) Nothing in this section shall apply to any seaman, marine, soldier, or airman who is discharged at his own request or at the request of his parent

or guardian, or who is a deserter, or who is discharged or dismissed in consequence of having been convicted on any proceedings under the Naval Discipline Act, the Army Act, or the Air Force Act, or by any civil court, or to recruits or re-entitled pensioners not finally approved.

(5) In this section—

The expression "seaman" means a seaman within the meaning of the Naval and Marine (Pay and Pensions) Act, 1865.

The expression "marine" means a marine within the meaning of the Naval and Marine (Pay and Pensions) Act, 1865.

The expression "soldier" means a soldier of the regular forces, but does not include any soldier of His Majesty's Indian forces or Royal Malta Artillery, or a native soldier of any regiment raised outside the United Kingdom.

The expression "airman" means a man of the regular air force.

Reference to "discharge" includes references to "transfer to the reserve," in the case of a seaman, marine, soldier, or airman who, on the completion of any term of service, is transferred to any reserve.

42 The Minister may, with the consent of the Treasury, make arrangements with the authority administering any statutory scheme of unemployment insurance in the Isle of Man or the Channel Islands for the payment of unemployment benefit in the Isle of Man or Channel Islands, as the case may be, to persons who would, if they had been resident in the United Kingdom, have been entitled to unemployment benefit under this Act and for the payment of unemployment benefit in the United Kingdom to persons entitled to unemployment benefit under the statutory scheme.

Temporary and Transitory Provisions. 43 Where, during the continuance of the war and a period of one year thereafter, a person is engaged outside the United Kingdom in any employment which, if it were employment in the United Kingdom, would make him an employed person within the meaning of this Act on work connected with or arising out of the war, and the contributions which would be payable in respect of that person if the employment were in the United Kingdom are by agreement between him and his employer paid in manner prescribed by this Act, those contributions shall be deemed to have been properly paid for the purposes of this Act, and that person shall accordingly for those purposes be deemed to be an employed person within the meaning of this Act.

44 During the period of twelve months next after the commencement of this Act every person in respect of whom not less than four contributions have been paid under this Act shall, notwithstanding that the first statutory condition may not have been fulfilled in this case, but subject to the other provisions of this Act, be entitled to receive unemployment benefit for periods not exceeding in the aggregate eight weeks, and for the purpose of qualifying any insured contributor to receive benefit up to the aggregate amount aforesaid within the period aforesaid, but for no other purpose, there shall be treated as having been paid in respect of him such number of contributions as, together with the number of contributions in fact paid in respect of him, will be sufficient to qualify him as aforesaid.

45. If any difficulty arises with respect to the

constitution of special or supplementary schemes or otherwise in any manner whatsoever in bringing this Act into operation, the Minister, with the consent of the Treasury, may by order do anything which appears to him necessary or expedient for the constitution of such schemes or for otherwise bringing this Act into operation, and any such order may modify the provisions of this Act so far as may appear necessary or expedient for carrying the order into effect.

Provided that the Minister shall not exercise the powers conferred by this section after one year from the commencement of this Act.

46—(1) Any contributions paid in respect of any persons under the Acts repealed by this Act shall for all the purposes of this Act be treated as if they were an equal number of contributions paid in respect of them under this Act.

(2) All sums standing at the commencement of this Act to the credit of the unemployment fund established under the Acts repealed by this Act shall be transferred to and be deemed to form part of the unemployment fund established under this Act.

(3) The existing umpire, insurance officers, referees, chairmen of courts of referees and all other officers, inspectors and servants appointed for the purposes of the Acts repealed by this Act shall be treated as if they had been appointed to corresponding offices under this Act and shall hold office accordingly.

Interpretation, Short Title and Repeal. 47—(1) For the purposes of this Act—

(a) Contributions made by an employer on behalf of an employed person shall be deemed to be contributions by the employed person.

(b) A person engaged in temporary work provided by a central body or distress committee under the Unemployed Workmen Act, 1905, or towards the provision of which any such central body or distress committee has contributed under that Act, shall not be deemed to be an employed person within the meaning of this Act.

(c) The expression "trade dispute" means any dispute between employers and employees, or between employees and employees, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of employment, of any persons, whether employees in the employment of the employer with whom the dispute arises or not.

(d) The expression "the Minister" means the Minister of Labour.

(e) The expression "insurance year" means such period of not less than fifty-two or more than fifty-three weeks as may be prescribed.

Provided that—

(i) the period commencing on the eighteenth day of July, nineteen hundred and twenty, and ending on the third day of July, nineteen hundred and twenty-one, shall be an insurance year;

(ii) as respects the period prior to the said eighteenth day of July, nineteen hundred and twenty, the expression "insurance year" means any period which was an insurance year under the provisions of the enactments repealed by this Act; and

(iii) for the purpose of meeting any change in the insurance year or for the purpose of making provision for any period which may elapse between the date upon which contributions

commence to be payable under this Act and the commencement of the insurance year next following the third day of July, nineteen hundred and twenty-one, the Minister may make such corresponding reduction as regards the number of weeks of benefit which may be received within that less period as appears to him to be proper.

(f) A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of sixteen until the commencement of the sixteenth anniversary of the day of his birth, and similarly with respect to other ages.

(2) In determining any question as to whether any occupation in which a person is or has been engaged is or was such as to make him an employed person within the meaning of this Act regard shall be had to the nature of the work on which he is or was engaged rather than to the business of the person by whom he is or was employed.

48—(1) This Act may be cited as the Unemployment Insurance Act, 1920.

(2) This Act shall, save as therein otherwise expressly provided, come into operation on the eighth day of November, nineteen hundred and twenty.

(3) Section five of the National Insurance (Part II Amendment) Act, 1914, is hereby repealed as from the seventeenth day of July, nineteen hundred and twenty, and the other provisions of the National Insurance (Unemployment) Acts, 1911 to 1919, are hereby repealed as from the commencement of this Act.

SCHEDULES.

First Schedule.

Part I.

Employments within the meaning of the Act.

(a) Employment in the United Kingdom under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece, or partly by time and partly by the piece, or otherwise, or, except in the case of a contract of apprenticeship, without any money payment.

(b) Employment under such a contract as aforesaid as master or a member of the crew of any ship registered in the United Kingdom or of any other British ship or vessel of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in the United Kingdom.

(c) Employment under any local or other public authority, other than any such employment as may be excluded by a special order.

Part II.

Excepted Employments. (a) Employment in agriculture, including horticulture and forestry.

(b) Employment in domestic service, except where the employed person is employed in any trade or business carried on for the purposes of gain.

(c) Employment in the naval, military, or air service of the Crown, including service in officers' training corps, except as otherwise provided in this Act.

(d) Employment—

(i) under any local or other public authority, or,
 (ii) in a police force, or
 (iii) in the service of any railway company, or a joint committee of two or more such companies, or

(iv) in the service of any public utility company, that is to say, any company carrying on any undertaking for the supply of gas, water, hydraulic power or electricity, any dock or canal undertaking, or any tramway undertaking, including a light railway constructed wholly or mainly on a public road, or

(v) in which the persons employed are entitled to rights in a superannuation fund established by or in pursuance of an Act of Parliament for the benefit of persons in that employment,

where the Minister certifies that the employed person is not subject to dismissal except for misconduct or for neglect in the performance of or unfitness to perform his duties, and that the terms and conditions on which the employed person is engaged make it unnecessary that he should be insured under this Act.

(e) Employment as a teacher of any person who is in recognised service within the meaning of the School Teachers (Superannuation) Act, 1918, or in a capacity which, if that person were under the age of sixty-five years, would be such recognised service, or employment as a teacher to whom the scheme under the Education (Scotland) (Superannuation) Act, 1919, or the National School Teachers (Ireland) Act, 1879, applies, or, in the event of any similar enactment being hereafter passed as respects teachers or any class of teachers, as a teacher to whom such enactment applies.

(f) Employment as a teacher in a State-aided school in Scotland at any time after the person employed has undergone an examination in order to qualify for the position of a certificated teacher and before the announcement of the result of the examination, and employment as a junior student in such a school, and employment in a public elementary school in England as a pupil or student teacher or in a national school in Ireland as a monitor.

(g) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(h) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value two hundred and fifty pounds a year, or in cases where such employment involves part-time service only, at a rate of remuneration which, in the opinion of the Minister is equivalent to a rate of remuneration exceeding two hundred and fifty pounds a year for whole-time service.

(i) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

(j) Employment of any class which may be specified in a special order made by the Minister,

or in a special order made under the National Insurance Health Acts, 1911 to 1920, and declared by the Minister to apply for the purposes of this Act, as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(k) Employment as a member of the crew of a fishing vessel where the employed person is wholly remunerated by a share in the profits or the gross earnings of the working of the vessel.

(l) Employment in the service of the husband or wife of the employed person.

(m) Employment in respect of which no wages or other money payment is made, where the person employed is the child of, or is maintained by, the employer.

*Second Schedule***Rates and Periods of Unemployment Benefit.**

1. Unemployment benefit shall be payable in respect of each week of any continuous period of unemployment after the first three days of unemployment, and shall, subject as hereinafter provided, be at the weekly rate of fifteen shillings for men and twelve shillings for women, or such other weekly rates as may be prescribed.

Provided that, in the case of an insured contributor under the age of eighteen unemployment benefit shall only be paid at half the full rate.

2. No person shall receive unemployment benefit for more than fifteen or such other number of weeks as may be prescribed, either generally or for any particular employment or branch thereof, within any insurance year, or in respect of any period of less than one day.

3. No person shall receive more unemployment benefit than in the proportion of one week's benefit for every six contributions paid in respect of him under this Act, or such other proportion as may be prescribed with the consent of the Treasury.

Provided that where, owing to the fact that the wages or other remuneration of an employed person are paid at intervals greater than a week, or for any other like reason contributions are paid under this Act in respect of any person at intervals greater than a week, that person shall for the purpose of this paragraph be entitled to treat each of those contributions as so many contributions as there are weeks in the period for which the contribution was paid.

4. Any time during which a person is, under this Act, disqualified for receiving unemployment benefit shall be excluded in the computation of periods of unemployment under this Schedule.

5. A period of unemployment shall not be deemed to commence till the employed person has made application for unemployment benefit in the prescribed manner.

6. The power conferred by this Schedule on the Minister of prescribing rates and periods of unemployment benefit shall not be exercised so as to increase the rate of benefit above seventeen shillings per week for men or above fourteen shillings per week for women, or to reduce it below thirteen shillings per week for men or below ten shillings per week for women, or so as to increase the period of unemployment benefit above fifteen weeks, or so as to alter the proportion which the period of benefit bears to the number of contributions paid, except by rules confirmed by an order made in accordance with the provisions of this Act relating to special orders.

Third Schedule.

Part I.

Rates of Contributions by Employed Persons and Employers.*Ordinary Rates.*

From the employed person for each week—	
In the case of men	4d
In the case of women	3d
From the employer for each week—	
In the case of employed persons being men	4d
In the case of employed persons being women	3½d.

Rates in case of Persons under Eighteen

From the employed person for each week—	
In the case of boys	2d
In the case of girls	1½d.
From the employer for each week—	
In the case of employed persons being boys	2d.
In the case of employed persons being girls	2d.

Part II.

Rates of Contributions out of Moneys provided by Parliament.*Ordinary Rates*

For every contribution paid—	
In respect of a man	2d
" woman	1¾d
" boy	1½d
" girl	1d

Rates in case of Exempt Persons

For every contribution paid—	
In respect of a man	1d
" woman	¾d
" boy	¾d.
" girl	¾d.

Fourth Schedule

Rules as to Payment and Recovery of Contributions paid by Employers on behalf of Employed Persons. (1) A weekly contribution shall be payable for each calendar week during the whole or any part of which an employed person has been employed by an employer.

Provided that where one weekly contribution has been paid in respect of an employed person in any week, no further contribution shall be payable in respect of him in the same week, and that, where no remuneration has been received and no services rendered by an employed person during any such week, the employer shall not be liable to pay any contribution either on his own behalf or on behalf of the employed person in respect of that week.

(2) The employer shall, except as hereinafter provided, be entitled to recover from the employed person the amount of any contributions paid by him on behalf of the employed person.

(3) Except where the employed person does not receive any wages or other pecuniary remuneration from the employer, the amounts so recoverable shall notwithstanding the provisions of any Act or any contract to the contrary, be recoverable by means of deductions from the wages of the employed person or from any other remuneration due from the employer to the employed person and not otherwise, but no such deductions may be made from any wages or remuneration other than such as are paid in respect of the period or part of the period in respect of which the contribution is payable, or in excess of the sum which represents

the amount of the contributions for the period (if such period is longer than a week) in respect of which the wages or other remuneration are paid.

(4) Where a contribution paid by the employer on behalf of an employed person is recoverable from such person, but is not recoverable by means of deductions as aforesaid, it shall (without prejudice to any other means of recovery) be recoverable summarily as a civil debt, but no such contribution shall be recoverable unless proceedings for the purpose are instituted within three months from the date when the contribution was payable.

(5) Where the employed person is employed by more than one person in any calendar week, the first person employing him in that week or such other employer or employers as may be prescribed, shall be deemed to be the employer for the purposes of the provisions of this Act relating to the payment of contributions and of this schedule.

(6) Regulations made under this Act may provide that in any cases or any classes of cases where employed persons work under the general control and management of some person other than their immediate employer, such as the owner, agent, or manager of a mine or quarry, or the occupier of a factory or workshop, such person shall, for the purposes of the provisions of this Act relating to the payment of contributions and of this schedule, be treated as the employer, and may provide for allowing him to deduct the amount of any contributions (other than employer's contributions) which he may become liable to pay from any sums payable by him to the immediate employer, and for enabling the immediate employer to recover from the employed persons the like sums and in the like manner as if he were liable to pay the contributions.

(7) Where the employed person is not paid wages or other money payments by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the employed person and shall not be entitled to recover any part thereof from the employed person.

(8) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of, or otherwise to recover from the employed person, the employer's contribution.

(9) Any sum deducted by an employer from wages or other remuneration under this schedule shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted.

(10) For the purposes of this schedule, the expression "calendar week" means the period from midnight on one Sunday to midnight on the following Sunday.

Fifth Schedule

Documents exempt from Stamp Duty. (1) Draft or order, or receipt given by or to an association or branch thereof in respect of money payable in pursuance of this Act or given in respect of benefit payable under any special or supplementary scheme, or in respect of any sums payable to the body charged with the administration of a special or supplementary scheme, or in respect of any sums payable by an association to its members in pursuance of an arrangement made under this Act.

(2) Letter or power of attorney granted by any person as trustee for the transfer of any money invested in his name in the public funds or in any other securities and forming part of any funds

applicable for the purpose of any special or supplementary scheme.

(3) Agreement, bond, or other security made or given for the purpose of, or in connection with, any arrangement made under this Act with an association which makes payments to its members while unemployed, or for the purpose of or in connection with any special or supplementary scheme.

(4) Appointment or revocation of appointment of an agent, appointment of a new trustee, and any conveyance or transfer made for effectuating the appointment of a new trustee, and any other document authorised by or in pursuance of this Act or of any special or supplementary scheme or otherwise required in order to give effect to the provisions of this Act, including a statutory declaration.

(5) Receipt given by an insured contributor in respect of benefit payable, or by any person in respect of a refund, repayment, or return of contributions paid under this Act.

Sixth Schedule.

Provisions of the Factory and Workshop Act, 1901, applied to Special Orders made under this Act.

80.—(1) Before the Minister makes any special order under this Act, he shall publish, in such manner as he may think best adapted for informing persons affected, notice of the proposal to make the order, and of the place where copies of the draft order may be obtained, and of the time (which shall be not less than twenty-one days) within which any objection made with respect to the draft order by or on behalf of persons affected must be sent to him.

(2) Every objection must be in writing and state—

(a) the draft order or portions of draft order objected to;

(b) the specific grounds of objection; and

(c) the omissions, additions, or modifications asked for

(3) The Minister shall consider any objection made by or on behalf of any persons appealing to him to be affected which is sent to him within the required time, and he may, if he thinks fit, amend the draft order, and shall then cause the amended draft to be dealt with in like manner as an original draft.

(4) Where the Minister does not amend or withdraw any draft order to which any objection has been made, then (unless the objection either is withdrawn or appears to him to be frivolous) he shall, before making the order, direct an inquiry to be held in the manner hereinafter provided, and may, after considering the report of the person who held the inquiry, make the order, either without modification or subject to such modification as he thinks fit, or may refuse to make the order.

81.—(1) The Minister may appoint a competent and impartial person to hold an inquiry with regard to any draft special order, and to report to him thereon.

(2) The inquiry shall be held in public, and any objector and any other person who, in the opinion of the person holding the inquiry, is affected by the draft order may appear at the inquiry either in person or by counsel, solicitor, or agent.

(3) The witnesses on the inquiry may, if the person holding it thinks fit, be examined on oath.

(4) Subject as aforesaid, the inquiry and all proceedings preliminary and incidental thereto

shall be conducted in accordance with rules made by the Minister.

(5) The fee to be paid to the person holding the inquiry shall be such as the Minister may direct and shall be deemed to be part of the expenses of the Minister in carrying this Act into effect.

UNFUNDED DEBT.—The portion of the public debt of the country which is known under this name consists in the main of Treasury Bills (*qv*) and Exchequer Bonds (*qv*). It is also known as the "floating debt." In the case of each of these securities, the principal is repayable by the Government, but in the operation of what is called "funding the unfunded debt," the principal becomes no longer payable, but instead there is created the right to receive interest in perpetuity on the amount. The right to this interest, or annuity, can be sold, and the transfer has practically the same effect as selling so much stock.

UNHEALTHY AND DANGEROUS TRADES.—(See FACTORIES AND WORKSHOPS, INSPECTION OF MINES, NUISANCES, OFFENSIVE TRADES.)

UNIFIED STOCK.—Where several stocks, bearing different rates of interest, are joined together to form one stock at one rate of interest, the result is termed a unified stock.

UNINCORPORATED COMPANIES.—The great expense and trouble incurred in procuring a Royal Charter of incorporation or a special Act of Parliament (see INCORPORATED COMPANIES) rendered it impossible for any combination of individuals who were not very wealthy to secure the advantage of limiting their liability if they embarked in any business undertaking. Yet a considerable number of such combinations did arise, for the benefits to be derived from co-operation in commercial enterprises were well understood three centuries ago. These combinations were what would be called companies at the present day, having shares of a fixed amount, transferable by their holders, and their management entirely in the hands of a body of directors. But in law they were treated as ordinary partnerships, and it was once judicially observed, in comparing an unincorporated company with a partnership, "As distinguished from a partnership, I know of nothing else except the transferability of shares." This fact of putting unincorporated companies on the same footing as partnerships most seriously hampered their usefulness in a commercial sense, and it was felt that the ordinary law was ill adapted to meet the case of the business of bodies composed of a large number of persons combined for the purpose of carrying on a particular trade. In one case it was said, "It is a general principle of mercantile law that when two or more persons are associated in partnership for carrying on a trade, every partner can bind his co-partners in all contracts made in the ordinary course of the business. But where a hundred persons or upwards are engaged in any particular trade to be managed by directors acting for the whole body, that principle plainly became very inconvenient in its application. So, again, it was a principle of our courts that in any proceeding by or against a partnership, all the partners must, either as plaintiffs or defendants, be made parties to the proceedings. But when numerous members of a partnership, to the extent of many hundreds of persons, were concerned as partners, this rule would, if adhered to, have made litigation impossible, and would often have amounted to a denial of justice."

The difficulty was first met by an Act passed in 1844, which permitted unincorporated companies to be registered, and to enjoy some of the privileges and powers accorded to incorporated companies. The Act, in particular, did away with certain of the legal difficulties as regards procedure, by allowing an officer of the company to sue or to be sued in the name of the whole of the members instead of compelling them to appear in court in a body as parties. It also contained special provisions as to the holding of property. But it made no alteration in the law as to liability of the individual members for the debts incurred by the company. Limited liability, in fact, could not be assumed by a company prior to 1855. The Act of 1844 further required that all companies formed after that date, with a few exceptions, should be registered, and since 1862 the law has prohibited the formation of companies established for the acquisition of gain if the number of members is in excess of twenty, unless they are registered under the Companies Act, 1862, and it has further restricted the formation of unregistered banking companies where the number of the members of any such company is greater than ten. The section of the Act of 1862 is now replaced by section 1 of the Act of 1908. It may be mentioned incidentally that "gain" is not confined to pecuniary gain, and that an association originally composed of less than the prescribed maximum number must be registered if it subsequently increases the number of its members beyond twenty or ten, as the case may be.

UNITED STATES.—Position, Area, and Population. The United States of America, the most important republic in the world, is, with her outlying territory, Alaska, almost equal in area to the mainland of Europe. She is one of the few countries of the world which could, within her own boundaries, produce all the products she required, whether mineral or vegetable. Her population is over 100,000,000, making up seven-eighths of the inhabitants of North America. The development of this vast country's resources and her rise to a great world position of power has been most marked since the Civil War of 1861-1865.

The republic lies between 25° and 49° north latitude, extending from the Great Lakes in the north to the Gulf of Mexico on the south. She is bounded on the east by the Atlantic Ocean, on the west by the Pacific Ocean, on the north by Canada, and on the south by Mexico and the Gulf of Mexico.

Coasts. The eastern coast line is more indented than the western, and the "drowned lowlands" provide excellent harbours. From Long Island southwards, the shore is low and flat, and fringed with sand reefs; the deep Delaware and Chesapeake Bays alone penetrate into the interior. The Gulf coast is low and swampy, hence the harbours require artificial aid. On the west the coast line is, on the whole, regular, and there are few good harbours; the chief ports are found where the river valleys have been depressed. The total length of the whole coast line is little more than half of that of Europe.

Build. Physically the United States consists of three main elements—

(1) The Pacific Highland on the west, a broad area of lofty mountain country extending from north to south;

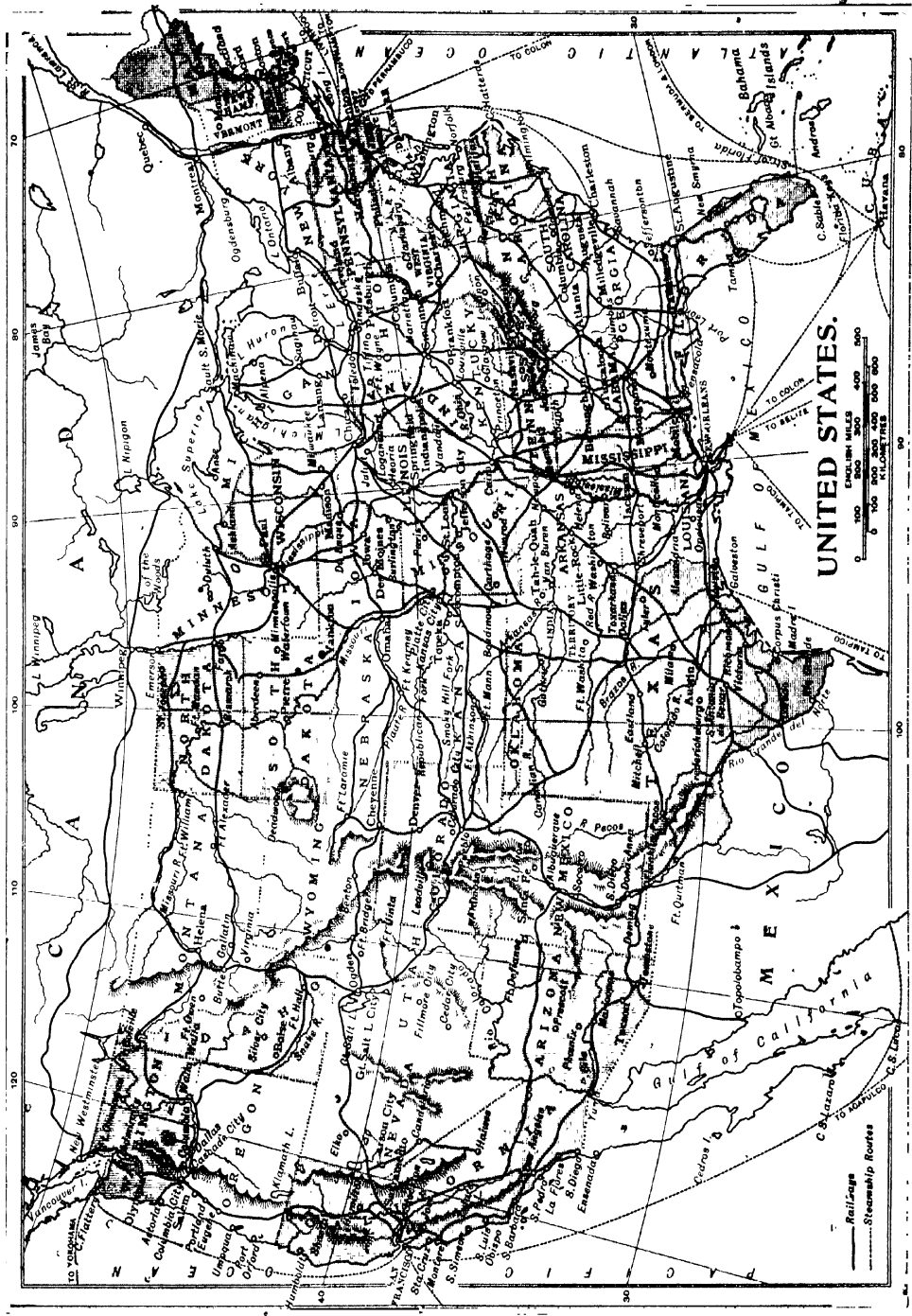
(2) The Great Plains in the centre; and

(3) The Atlantic Highland on the east, with its coastal plain

The Pacific Highland includes the Rocky Mountains and the coast. The lofty ranges of the Sierra Nevada in the south and the Cascade Mountains in the north rise to heights of from 12,000 to 15,000 ft. above sea-level. Beyond the Sierra Nevada lies the coast range, and between the two ranges is found the beautiful valley of California. The Rockies include the ranges called the Bitter Root Mountains of Idaho, the Bighorn and Laramie Ranges of Colorado, and the Belt Mountains of Montana. From the western edge of the Great Plains, the front range of the Rockies rises from a base of 4,000 or 6,000 ft. to summits of 10,000 and 14,000 ft. Between the Wahsatch Mountains on the east and the Sierra Nevada on the west, there is an area of over 210,000 square miles, called the Great Basin. This is a region of inland drainage containing parts of Utah, Nevada, and California. Some of the mountain ranges of the Great Basin are devoid of trees, and the whole of the region is arid, the rainfall in places is on an average only 5 in. in the year, and almost all is lost by evaporation. Vegetation is of necessity scanty; sage-bush interspersed with cacti and yuccas provides the typical vegetation.

The Great Plains may be divided into the Gulf Plains, the Prairies, the High Plains, and the Lake Plains. The Gulf Plains, lying along the Gulf of Mexico, extend up the Lower Mississippi till a height of 500 ft. is reached, on the east they merge into the Atlantic coastal plain. Their soils are specially suited to the growth of cotton. The Prairies are wide, open, almost treeless plains, and are rather smooth land with shallow valleys. The soil is extremely fertile and of fine texture, much of it being of glacial origin; it has proved its high suitability to the growth of cereals. The extent of the Prairies is from Mexico to the Great Lakes, and their area is about 500,000 square miles. Westwards of the 100th meridian, the Prairies pass into a higher and drier region, rising between the Arkansas and Platte Rivers to the height of 6,500 ft. above sea-level, and ending abruptly at the foot of the Rockies, these plains are aptly termed the High Plains, and provide good grazing land. The Lake Plains lying south of the Great Lakes have a more ample rainfall than the Prairies, and are generally tree covered. Their soil is the result of the melting of an ice sheet which once covered the district, on this soil the harder cereals attain a high state of perfection. The Plains region is watered and drained by the Mississippi-Missouri River system.

The Atlantic Highland consists of the Appalachian Mountain System, which trends in a general north-east and south-west direction from northern Alabama and north-west Georgia to New England. The mountains are separated from the Atlantic by a low coastal plain, whose elevation is about 1,000 ft. in Georgia, Alabama, and the Carolinas and less than 400 ft. in New England; this plain is narrower in the north than in the south. The southern end of the Appalachians differs in character from the northern. It contains the largest area of land (over 5,000 ft. high) east of the Mississippi, and is a distinct mountain mass rather than a series of isolated north and south ridges, such as occur in northern New England. The Appalachians long acted as a barrier against western migration, and are still an impediment to easy communication between the fertile prairies and the populous coastal plain.



Climate. A country stretching over 24° of latitude and of varying altitude naturally possesses a great variety of climates; and the United States exhibits climates varying from arid to extreme humid, and from warm temperate to cold temperate. The chief factors deciding her various climates are latitude with its complement altitude, the influence of the adjacent oceans, and the general arrangement of the land. Passing from north to south in the Plains region cold temperate, warm temperate, and sub-tropical climates occur. It should be noted that the absence of mountains on the north allows the cold Arctic winds to sweep over the Prairies, and that the climate of the coastal plain is modified by its nearness to the Atlantic waters. The winds from the Gulf of Mexico can exert their influence upon the interior owing to the absence of mountains, while the winds from the Pacific are obstructed by the western mountains, and drop their moisture on the western slopes, thus reaching the Great Basin as dry winds. The Appalachians are not a very formidable barrier to the winds from the Atlantic, and so the Great Plains receive a fair percentage of rainfall from this source. On the Pacific coast the annual rainfall is in parts 60 in., on the Great Basin 5 in., on the western slopes of the Rockies 30 in., on the High Plains 10 to 20 in., while the annual rainfall of the Prairies ranges from 18 to 30 in., and that of the Atlantic Coastal Plain from 40 to 45 in. All the country east of the 100th meridian has usually an adequate rainfall for crop production. The mean annual temperature of the United States ranges from 75° F. in southern Florida and Texas to less than 40° F. in the Lake Superior region. On the basis of temperature the whole country divides approximately into three regions: (1) Warm regions, having an annual mean temperature of 60° F. and above, including the southern part of the Coastal Plain and the Gulf Plains, southern Arizona, south-west Mexico, and a great part of California (excepting always the mountain districts), (2) temperate regions, with an annual mean temperature of 50° to 60° F., including the Middle Atlantic States, the Ohio Valley, southern Indiana and Illinois, Missouri, Kansas, Oklahoma, south-east Colorado, and most of the Pacific Coast States, and (3) cold regions with an annual mean temperature of 40° to 50° F., including northern Indiana and Illinois, Iowa, Nebraska, South Dakota, Wyoming, the mountain districts of the west, and the northern States.

Productions and Industries. *Forests and the Lumber Industry.* Heat, rainfall, and soil are the great controlling factors of forest growth. The great forest regions of the United States are principally in the eastern, the southern, and the Pacific Coast States, where the rainfall is ample. Among the principal forest trees are pines—white, red, and yellow—bush, oak, maple, spruce, including the Douglas spruce, hemlock, larkspur, and juniper, walnut, tulip, ash, elm, and hick. The eastern region in New England and on the slopes of the northern Appalachians produces maples, beeches, birches, pines, spruces, firs, and larches. Round the Great Lakes the white pine reaches its highest development. In the middle Appalachian region hickories, oaks, and chestnuts predominate; while in the southern States pitch-pines, magnolias, tulip trees, and sweet gums are found. On the Pacific slope the Douglas pine supplies valuable timber, and the "big trees" of California are the greatest vegetable marvels of the United States. One-third

of the United States is forested, 60 per cent. of which lies in the eastern and southern States, and the lumber industry ranks fourth in the industries of the country.

Agriculture and Food Products. The chief agricultural productions are wheat, maize, oats, barley, rye, buckwheat, cotton, tobacco, sugar, and rice. On the Prairies the cereals are grown in great quantities, for these lands provide a natural home for grasses, of which the cereals are but cultivated varieties. Wheat is a very important crop, about one-fifth of the world's wheat supply being raised; and the exports are of high consequence to the countries of Western Europe. The increasing population suggests that the exportation of wheat, which has declined of late years, will continue to do so. The wheats grown are of three main classes: Winter, Spring, and Durum wheats. Winter wheats are grown mainly in the New England, North Central, Middle, and Pacific States; Spring wheats in the Northern States of the Plains, notably the Dakotas and Minnesota, and Durum wheats in the southern States of the plains and in some of the Rocky Mountain States. Each variety of wheat needs its own peculiar climate and soil. The most important wheat-growing States are Kansas, North Dakota, South Dakota, Minnesota, Indiana, Ohio, Illinois, and Pennsylvania. Maize is the largest single crop in the United States, and occupies double the acreage under wheat, yet since it is largely used for feeding farm stock, it figures little in the foreign trade. This cereal demands a higher temperature and more sunlight than the other cereals of the temperate zone, and hence the maize belt is found south of the main wheat belt of the Plains. Maize is grown chiefly in the States of Kansas, Iowa, Missouri, Nebraska, Indiana, and Ohio. Rice is mainly cultivated in the Carolinas, Georgia, and Louisiana, where the soil is moist and hot; Louisiana is by far the chief rice State. The sugarcane is most extensively cultivated in Louisiana, while beet-sugar is manufactured in Michigan and California. The most valuable agricultural product is cotton, of which commodity the United States raises over 70 per cent. of the world's supply. Cotton is grown south of the 37th parallel of latitude, and eastern Texas, Georgia, South Carolina, and Alabama show the greatest area and yield. The long stapled and highly prized "sea-island" cotton is grown in South Carolina and Georgia on the fringing islands and the low-lying coastal strips, where the sea effect is great. The continued growth of cotton manufactures in the north and south tends to lessen the amount of raw cotton exported. Tobacco can be cultivated as far north as the Connecticut Valley, Kentucky, North Carolina, Georgia, Ohio, Wisconsin, and Tennessee are the chief States. Both pipe and cigarette tobacco are grown, cigarette tobacco being grown where the sea air is fairly effective, and pipe tobacco more inland, where the sea effect is less. The cultivation of fruits for export, in both the fresh and the canned conditions, is developing in many parts; apples in the north-east, southern fruits, such as oranges, pineapples, and lemons, in the extreme south, especially in Florida; and the "Mediterranean" fruits—grapes, oranges, apricots, pears, and pineapples—of the Central Valley of California, all now find a market in Europe. Californian wines compete successfully with those of Europe and Australia.

The arid and semi-arid regions lying between 100° and 120° west longitude, an area of about

1·2 million square miles, reduce the cultivable area. The hope of these regions as regards agriculture lies in the growing of drought-resisting plants, in irrigation, and "dry-farming" methods. Irrigation is at present being practised in the Great Plains west of the 100th meridian, and in the Rocky Mountain and Basin States. Unfortunately only a very small fraction of these regions can ever be irrigated, and the arid West is, therefore, doomed to be thinly populated for all time.

Mixed farming, dairying, and market gardening, as might be expected, are largely carried on in New England and New York. The hilly nature of the country, the nearness to markets, the thin soil and its dearth, and the severity of the climate account for the small farms with intensive cultivation found here; they provide a striking contrast to the "bonanza" farms of the Prairies with their extensive cultivation.

The Pastoral Industry. The pastoral industries are very valuable. The chief regions are the High Plains and the Plateau States of the West, where the diminished rainfall makes agricultural pursuits impossible or unsuccessful in many parts. More cattle and pigs are fed in the United States than in any other country of the world; this is largely due to the great quantity of maize raised, and hence the southern part of the Plains region is the area where the most cattle, sheep, and pigs are fattened for the markets. The North-Eastern States and California also raise many cattle. On the High Plains cattle are reared chiefly for their flesh and hides, and are sent to the great centres—Chicago, Kansas, Cincinnati, and Omaha—for slaughter and also for export. Sheep are kept rather for their wool than for their meat; the chief States are Pennsylvania, Ohio, Illinois, Texas, and California. Horses and mules are bred in large numbers for both domestic and export purposes, a special breed of horses being reared in the blue grass country of Kentucky.

The Fishing Industry. The great fishing regions of the United States are: (1) The North Atlantic Banks from Chesapeake Bay northwards to Newfoundland, yielding cod, herring, mackerel, halibut, haddock, and shad; the headquarters of the industry are at Gloucester in Massachusetts and Portland in Maine. (2) The Pacific Coast and Columbia River fisheries are chiefly the catching and canning of salmon in the Columbia River and on the Alaskan coast. The cooking and canning of salmon in Washington and Oregon has become an important industry; the Columbia River is specially important; and (3) The Great Lakes fisheries yield white fish, sturgeon, and lake trout (Lake Superior is an exception). Lobster canning is important in New England, and oyster culture along the coasts of the Middle Atlantic States. Sponge fishing is carried on off the coasts of Florida. The United States aids fisheries by the artificial propagation of immense numbers of food fishes.

The Mining Industry. The United States is exceedingly rich in minerals, and her output has been estimated as equal to that of all other countries combined. The greatest mineral-producing areas are the Appalachian belt, the Lake Superior hill regions, and the Plateau region of the west. Coal is the most important mineral, followed by iron, silver, gold, copper, and petroleum. In coal production the United States now leads the world; about one-fifth of her coal output is anthracite, which comes chiefly from eastern Pennsylvania. The coalfields

may be grouped into six regions: (1) The Appalachian or Alleghany field, by far the most important, covers an area of about 65,000 square miles, and stretches from Pennsylvania to Alabama. Three kinds of coal are found—West of the Alleghany Mountains bituminous coal is found, anthracite to the east, while along the head waters of the Juniata and the Alleghany, having its centre at Cumberland, lies the semi-bituminous area. (2) The Central field, having an area of about 48,000 square miles, is chiefly in Indiana, Illinois, and western Kentucky, and has its centre near Terre Haute. It is specially noted for its "block" coal. (3) The Northern field is in Michigan. (4) The Western field consists of detached areas from Iowa to Mexico. (5) The Rocky Mountain and Basin field consists of many scattered areas; and (6) the Pacific field includes small areas in California, Oregon, and Washington. In connection with the remarkable growth of the coal industry of the United States, it should be noted that the coalfields are of vast extent; that the seams are in many cases thick, and easily worked; and that the coalfields have been worked for but a comparatively short time.

In the production of iron ore the United States is predominant, and she provides about two-fifths of the world's supply of iron and steel. The chief iron-producing States are Michigan, Minnesota, Alabama, and Pennsylvania; north-east Minnesota and north-west Michigan supply three-quarters of the total iron output. Marquette, on Lake Superior, is an important centre, and has an advantage in the case with which the ore may be obtained from the mines in its neighbourhood. The general rule as regards iron-smelting in the United States is to take the ore to the fuel.

Petroleum or "rock oil" has largely aided in the industrial progress of North America; it is produced in the west of Pennsylvania, in New York, Ohio, Texas, Colorado, and West Virginia. The oil is very abundant round Toledo and Cleveland, whence it is conveyed by pipes 300 miles to Philadelphia. Petroleum now is not only used for lighting but is being increasingly used in the place of coal for fuel and smelting purposes. Over three-fifths of the world's supply of petroleum comes from the United States.

Silver is produced in the Rocky Mountain region in the States of Colorado, Montana, Utah, Arizona, and Idaho. Denver is the most important centre. As a silver-producing country, the United States ranks high.

Copper is mined in Montana, North Michigan, and Arizona. About half the world's copper supply comes from the States. Butte and Anaconda are the chief centres in Montana, and the electrolytic process there employed results in exceptionally pure copper being obtained from the ores.

Lead, associated with silver, is found at Leadville (Colorado), and with zinc in Missouri.

Zinc is found chiefly in Kansas, Missouri, and Pennsylvania; about a quarter of the world's supply is produced.

Gold is found on the Californian side of the Sierra Nevada, in Colorado about Cripple Creek, in Alaska, Montana, and South Dakota. The world's gold supply comes mainly from the Transvaal, Australasia, and the United States.

Mercury is obtained from New Almaden in California.

Natural gas, which occurs in Pennsylvania, Ohio, Indiana, West Virginia, and Kentucky, is used in

lighting towns, and in a few cases in the manufacturing industry. The supply is of necessity not permanent.

Lime and building stone are widely distributed. Tin is the only metal of importance that is almost entirely absent.

The Manufacturing Industries. The vast stores of coal, iron, and oil, the abundant supply of the raw materials needed in manufacture, the ingenuity of the American people, and the great growth of population have led to the United States becoming the chief manufacturing country of the world. The chief manufactures fall under five heads: (1) The preparation of meat products; (2) the elaboration of forest products; (3) flour-milling, (4) iron and steel manufactures; and (5) textiles and leather manufactures.

The immense number of cattle, sheep, and pigs fed in the ranching area and the maize region have given rise to an enormous trade in preserved meat. At convenient centres large numbers of cattle and pigs are slaughtered, and the meat is either frozen or canned, and then sent away. The lack of tin is somewhat of a disadvantage. The great packing establishments are at Chicago, Cincinnati, Omaha, and Kansas City. During the last fifty years the meat centres have moved westwards owing to the spread of population on the Great Plains.

Lumbering is an important industry round all the Great Lakes. At various centres in the forest regions where water-power is available, saw-milling, coopering, and the making of wood pulp, paper, and furniture are carried on. Detroit, Chicago, and New York are engaged in the furniture trade.

Flour-milling is carried on where there is convenient access to the wheat districts and where waterfalls supply cheap motive power. Minneapolis, the greatest flour-milling centre in the world, is supplied by the wheat lands of the Dakotas and Minnesota, and possesses the Falls of St. Anthony; other centres are Superior and Rochester.

The localisation of the iron and steel manufactures depends largely upon the fact that it is cheaper to bring the iron ore to the coal than *vice versa*. The greatest production is in Western Pennsylvania, at Pittsburg, and the region round. Coal and gas from the northern Appalachian coalfield supply the fuel, and the ore is brought from the Superior region by lake and rail routes. Buffalo, Cleveland, and Erie, along the south shore of Lake Erie, also utilise the ore from the Superior region. Illinois possesses iron ore in the north, and large coalfields in the southwest, and can easily be supplied with the ore of Missouri; Chicago is an important centre. On the coalfield of Northern Alabama the iron industry is rapidly developing, as is evidenced by the rise of the towns of Birmingham, Sheffield, Bessemer, and Anniston. The limestone in the valleys supplies abundant flux, the iron ore supply is enormous, and labour is slightly cheaper here than elsewhere; such advantages suggest continued prosperity. Coal, iron, limestone, and timber found round Seattle, on Puget Sound, will probably result in an important iron industry in the Pacific North-West. As regards special products, Philadelphia, Chicago, and New York are noted for machinery, Chicago, Buffalo, Detroit, and Worcester for railway plant; and Philadelphia for locomotives. Agricultural machinery, so important on the vast farms in saving human labour, is chiefly manufactured in Illinois, on account of cheap iron and timber, the convenient markets, and the railway and lake facilities. Shipbuilding is

not at present very important, but is developing. The Lake ports—Chicago, Duluth, Detroit, Milwaukee, and Buffalo—build for the lake traffic; and Philadelphia and San Francisco for ocean traffic.

Notwithstanding the fact that the cotton-growing belt lies in the Southern States, the manufacture is mainly carried on in the long-settled and populous North-Eastern States, where coal is of easy access, where water-power is plentiful, and where a moist climate exists. The rivers of New England, descending from the highlands to the coastal plain, supply cheap water-power. Among what are termed the "fall" towns, and which are engaged in cotton manufactures, are Manchester (New Hampshire), and Lowell, Lawrence, New Bedford, and Fall River (Massachusetts). Other cotton centres are Providence in Rhode Island and Atlanta in Georgia; while in the south, Georgia, Alabama, North Carolina, and South Carolina show great increase. Woollen goods are manufactured at Philadelphia, Lowell, Lawrence, Providence, New York, and Boston. Manchester in New Hampshire and Paterson in New Jersey are noted for silks. Most of the great cities of the east are engaged in the making of ready-made clothes, but New York, Philadelphia, Chicago, and Boston are the chief centres.

Leather manufactures are mainly carried on in New England. Lynn and Brockton are noted for their machine-made boots which have invaded British markets.

Minor manufactures are paper in New York, Massachusetts, and Maine, where poplar and spruce are plentiful, and pottery at Trenton in New Jersey and East Liverpool in Ohio. Tobacco is manufactured in Virginia, West Virginia, North Carolina, and Kentucky. Richmond in Virginia and Louisville in Kentucky are world tobacco markets.

The highest intelligence is brought into manufacturing life in the United States, and conservatism does not unduly hamper industrialism; neither machinery nor processes are allowed to become antiquated; and though American labour is dear, yet it boasts of its great efficiency, especially with regard to rapidity of output. Highly finished and lasting products are not, however, characteristic of American workshops, but serviceable and cheap are terms that may be fitly applied to them.

Water Routes. The United States possesses over 20,000 miles of inland navigable waterways, of which the Great Lakes and the Mississippi systems are the most important. The united stream of the Missouri-Mississippi is 4,200 miles long, and brings the temperate north in close touch with the sub-tropical south. In the basin of the Mississippi there are over 9,000 miles of navigable river. The Mississippi itself is continuously navigable for steamers of fairly great size to the rapid below the Falls of St. Anthony, within 4° of the northern frontier. Several canals connect the Great Lakes with the Mississippi. River traffic, which was very important before the railway era, has now declined, but the Mississippi is still an auxiliary and rival of the railways. Unfortunately, the Mississippi has numerous bars, and great fluctuations occur in the depth of its channel; it is thus difficult to control. Much has yet to be done before it becomes a reliable trade route. The Ohio River, a tributary of the Mississippi, has more traffic than the parent stream; over 15,000,000 tons of freight per annum are carried on the Ohio system. The Missouri suffers from similar disadvantages to those of the

Mississippi. Possibly the Illinois River, which forms part of the water route between Lake Michigan and the Mississippi, will become more important in the future.

The Appalachian rivers are only important in their lower courses across the coastal plain; the only exception is the Hudson River, which, owing to a subsidence in a past geological age, was turned into a tidal stream. The Hudson crosses the Appalachian barrier from north to south, and is navigable for ocean steamers for 100 miles; the ocean tides extend 170 miles up the river to Troy. As a freight carrier the Hudson vies with the Ohio. The Delaware, Susquehanna, Potomac, and James Rivers are navigable in their tidal portions, which extend for about 100 miles from the sea; the Delaware is navigable to Trenton, the Susquehanna to Havre-de-Grace, and the James River to Richmond.

The Columbia River is the great river of the Pacific coast, and is now navigable without interruption for 250 miles from the ocean to the Dalles, where the river forces its way through the Cascades; a short canal enables vessels to proceed further without breaking bulk.

The Great Lakes and the River St. Lawrence, aided by a series of canals, provide one of the greatest inland waterways in the world; the five lakes—Superior, Huron, Michigan, Erie, and Ontario—together with the St. Lawrence River, give a water-route extending inland 2,000 miles from the sea. All the lakes, with the exception of Ontario, and their connecting channels have a minimum depth of 21 ft., and are used by vessels drawing 20 ft. of water. The St. Lawrence route is, unfortunately, closed to navigation by ice from early December to late in April.

The canals of the United States have been constructed to improve navigable rivers, and to connect separated rivers or lakes. The most important canal is the Erie, laid through the Mohawk Valley, and connecting the navigation of the Great Lakes with New York; it starts from Buffalo and proceeds eastwards to Troy and Albany. The Champlain Canal connects its eastern end with the head of Lake Champlain, and the Hudson River completes the waterway to New York. The project of a continuous waterway from the Great Lakes to the Gulf of Mexico by a channel 14 ft. deep has been many times discussed, but the expenses of construction seem to be too great. It would greatly relieve the traffic congestion of the Middle West. Between Lakes Superior and Huron is the Ft. Mary's Falls Canal ("Soo"), which avoids the Sault St. Marie Rapids; it is a most important gateway of trade, the traffic through it being far greater than that through the Suez. The Welland Canal, a Canadian work, from Lake Erie to Lake Ontario, is 14 ft. deep, and so are all the channelled portions of the St. Lawrence down to Montreal.

Traffic on the Waterways. The Ohio River traffic consists mainly of coal, followed a long way in the rear by stone, sand, grain, lumber, and iron-ore. Both freight and passenger business is large on the Hudson River. The east-bound traffic down the Great Lakes is nearly five times the volume of that going westwards. The produce of the western plains, the lumber of the surrounding forest regions, the ores of Wisconsin and Montana go eastwards, while machinery, textiles, and other manufactured goods go westwards.

The coasting traffic is very great, and is carried

on only by vessels which fly the United States' flag. Sailing vessels are largely engaged as coastal freight-carriers.

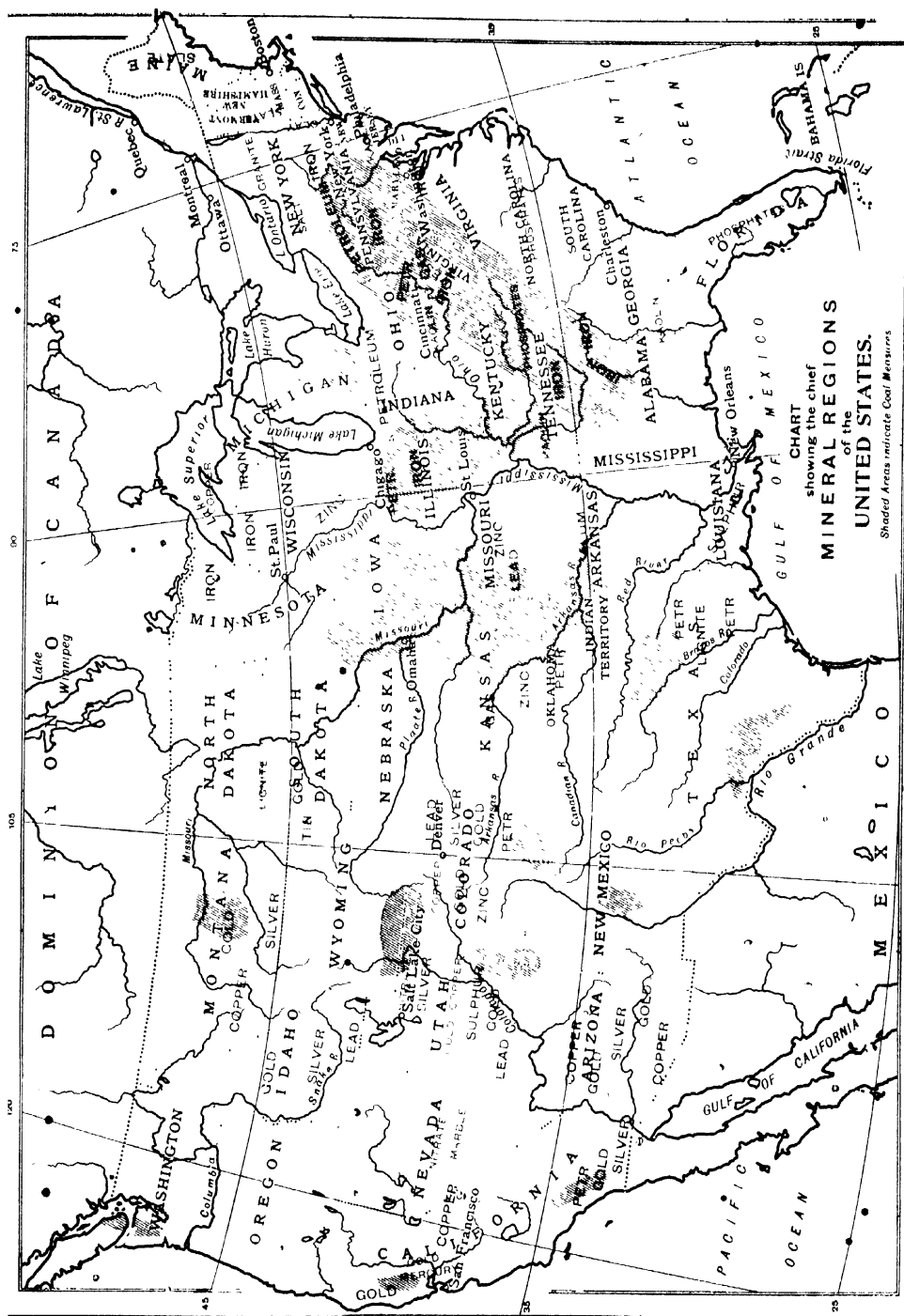
Railways. The railway mileage of the United States is about 270,000. A network of railways extends over the populous east and over the north-east of the Central Plain, and great trans-continental lines connect the eastern roads with the Pacific ports. The arid and highland acres of the west, though crossed by various lines, still prove a barrier to trade, and there is comparatively little trans-continental trade done. The Appalachian System on the east has also necessitated high gradients on the railways running to the Atlantic ports; the only easy route is that by the Hudson and Mohawk Valleys, which has largely aided the growth of New York.

The chief railways of the United States may be classed as the Eastern and the Trans-Continental. The Eastern railways are: (1) The New York Central and Hudson River Railroad, which connects New York city with Albany, following the Hudson River Valley; crossing the river and the Erie Canal at Albany, and running westward through Utica and Rochester to Buffalo and Niagara. From Buffalo the Lake Shore and Michigan Southern extends to Cleveland, Toledo, and Chicago; and the Michigan Central runs from Buffalo to Detroit and Chicago. (2) The Pennsylvania Railroad connecting New York with Philadelphia, Harrisburg, Pittsburg, and Chicago, and also with Cincinnati. (3) The New York, Lake Erie, and Western Railroad, passing through Jersey City and Paterson, and following the windings of the Susquehanna to Niagara Falls and Buffalo. The Atlantic and Great Western Railway extends the Erie route to Cincinnati by Cleveland, and onward to St. Louis; and (4) the Baltimore and Ohio Railroad running southward and westward from New York, and connecting New York, Philadelphia, and Baltimore with Cumberland, Pittsburg, and Chicago. The line called the Ohio and South-Western connects Cincinnati and St. Louis with the Atlantic ports, and the trunk line to New Orleans passes through Philadelphia, Richmond (Virginia), Atlanta, Alabama, and Mobile.

The Trans-Continental Railways are: (1) The Great Northern from St. Paul, Minneapolis, and Duluth to Seattle and Tacoma, the Pacific ports; (2) the Northern Pacific from St. Paul, Minneapolis, and Duluth to Portland (Oregon) and Puget Sound; (3) the main line of the Southern Pacific from New Orleans (Louisiana) to San Francisco. The Central Pacific extends from Ogden (Utah) to San Francisco, and is connected at Ogden with the Union Pacific running to Omaha and Kansas City; (4) the Atchafalaya System from Chicago and St. Louis to the Pacific coast.

All railroad and steamship lines of the United States passed under Government control at the end of 1917.

Traffic on the Railways. The eastern railways have a large passenger traffic, and share largely with the southern roads in the import and export trade of the United States, coal, lumber, wheat, meat, cotton, and manufactured goods figure prominently in the freight returns. On the south-west roads wheat, corn, lumber, cotton, and live-stock are transported to the Gulf ports. The northern trans-continental roads' through traffic is one of grain, flour, and manufactures westward, and fruit and Oriental goods eastward. The traffic of the southern



trans-continental lines is similar to that of the northern, with an eastward movement of cattle added.

Commerce. The United States is the second commercial country of the world, ranking after the United Kingdom. Her ports may be divided into: (1) The Atlantic; (2) the Gulf; (3) the Pacific; and (4) the Lake ports. The chief Atlantic ports are New York, Boston, Philadelphia, Baltimore, Newport News, Portland (Maine), Richmond, Charleston, Savannah, and Wilmington (North Carolina); the Gulf ports are: New Orleans, Galveston, Mobile, and Pensacola; the Pacific ports are: San Francisco, Portland (Oregon), Seattle, Tacoma, and Wilmington (California); and the Lake ports are: Chicago, Duluth, Buffalo, Milwaukee, Cleveland, Detroit, and Toledo. The chief seaports are: New York, Boston, Philadelphia, Baltimore, New Orleans, and San Francisco; these ports carry on nine-tenths of the foreign trade. Chicago, Duluth, Buffalo, and Milwaukee are the most important Lake ports.

Until the last decade of the nineteenth century, the exports of the United States were mainly the products of extractive industries—agricultural, mining, and lumbering products; but a noteworthy feature of her exports now is that of manufactured goods, especially of iron and steel goods. The exports, which are much in excess of the imports, consist chiefly of raw cotton, live-stock, meat, and meat products, copper goods, machinery, wheat, flour, timber, and wooden goods. The imports are mainly products which either cannot be produced in the United States or cannot be produced in sufficient quantities for the country's demand—coffee, sugar, raw materials for manufacture (silk, wool, hides, and indiarubber), and silk goods figure prominently. Certain manufactured goods, notably chemicals, textiles, and iron and steel goods, are also imported, but the import of such articles is discouraged by the imposition of a heavy tariff.

The foreign trade is chiefly with Europe, the United Kingdom takes about one-half of the exports, a large percentage of the remainder goes to Germany, Canada, France, the Low Countries, and Italy. About one-fifth of the imports is supplied by the United Kingdom; and Germany and France together send about one-quarter of the imports. There is excellent communication between the Atlantic and Gulf ports and those of Western Europe; and no effort has been spared to make the service as rapid as possible. New York is the chief terminus for the cross-Atlantic traffic; but regular lines of steamers run from all the important Atlantic and Gulf ports. New York is pre-eminently the importing centre, nearly half the total imports of the country enter the port. The trans-Pacific service shows great development, and will doubtless become more important in the future. Regular lines of steamers sail from San Francisco and the Puget Sound ports to Japan, China, the Philippines, and Australasia, and a considerable trade is done with Europe. The opening of the Panama Canal gave a great impetus to the Pacific trade between the western United States and Europe. The foreign shipping at American ports is mainly under foreign flags; to the British flag belongs the largest share.

The Trade Centres. The great trade centres are naturally ocean and lake ports, and the great inland railway centres. The rise of the various towns is due

largely to good facilities for transport, to and from them, to the availability of water-power, and to the abundance of raw materials for manufacture either in their neighbourhood, or easily obtainable. Some towns exist by geographical inertia; the conditions favouring the particular industry or industries in them having passed away, they now survive by artificial aid.

Seaports. *New York*, the commercial metropolis of the United States, and the second city in the world, owes its importance to its command of land and sea routes. The Hudson-Mohawk Valley provides an easy route to the Great Lakes and the West; all the other Atlantic ports have more difficult access to the West, and hence New York has the advantage in freight rates. The opening of the Erie Canal in 1825 gave New York a great impetus, and the construction of railways leading north-west, west, and south-west, as well as the establishment of steamship connections with Europe, have further centralised commerce at New York. New York has water fronts on either side of the Hudson River and on Long Island, and, being the chief port of immigration, has collected colonies of all the peoples of Europe. Commercialism is supreme in New York, brokers, bankers, importers, exporters, and railway directors lead in business activity. As a money market, New York is second only to London. Her population is now about 5,700,000. The decadence of land in New York has resulted in the erection of many tall buildings, called "sky scrapers." About half of the foreign commerce (imports and exports) of the United States is conducted by New York. The manufactures in and round the city include the making of clothes, leather goods (chiefly shoes), tobacco manufactures, iron and steel goods, sugar-refining, brewing, and printing. Brooklyn, on Long Island, and other towns now form part of New York.

Boston (760,000), the commercial capital of New England, ranks high among the seaports. It possesses an excellent harbour, which is ice-free throughout the year; but the town is cut off from the vast hinterland of the Chicago district by the Hoosac Mountains, which, although now tunnelled, nevertheless make the route westwards a difficult one, and much of the traffic of Boston with the West passes through New York. Boston provides banking facilities and markets for the numerous New England manufacturing towns, and is generally considered to be the centre of American learning and literature. The manufactures of Boston are very similar to those of New York, its leather and wool markets are very important.

Philadelphia (1,700,000), one of the leading manufacturing centres of the United States, is situated on the Delaware River 100 miles from the Atlantic Ocean. Its harbour can accommodate the large liners, it is an important port, though much behind New York, industrially it is probably the equal of New York. Its importance is largely due to its proximity to the great Alleghany coalfield with its anthracite, the abundant open land on which to expand, the water-power of the Schuylkill, and the low altitude and small width of the Appalachian Belt in the background, allowing comparatively easy communication with the interior. Iron for its locomotives and shipbuilding is brought from Pittsburgh; the neighbouring forests supply bark for tanning; and the sheep on the hills round supply wool for its carpets. Other manufactures are drugs,

chemicals, sugar, and cotton goods. The exports of Philadelphia are food products, petroleum, coal, cotton, leather, and tobacco.

Baltimore (600,000), near the head of Chesapeake Bay, is important as an exporting centre. The valleys of the Potomac and Susquehanna aided in railway construction from Baltimore westwards, but the heavy gradients made necessary by the Alleghany Plateau and the comparatively few important towns passed through by the railways, make trade with the interior west less profitable than that conducted on the more northern lines. Baltimore is largely engaged in the oyster fisheries of Chesapeake Bay, and oyster canning is important. The leading manufactures are cotton goods, iron and steel goods, brickmaking, and tobacco manufactures. The export trade is mainly in petroleum, grain, tobacco, and cattle.

New Orleans (370,000), the largest cotton market and cotton port of the world, is situated on the Mississippi River, 100 miles from its mouth. The physical conditions of the port present great difficulties to the providing of a commodious harbour; enormous sums have been necessarily spent in deepening the channels of the Mississippi mouth, and constant dredging must be resorted to. The development of railways having easy gradients and making connection with the centres of its vast hinterland have greatly aided New Orleans. Its chief exports are cotton (by far the most important), rice, sugar, and cereals. Among its leading manufactures are clothes, leather, and tinware.

Galveston (50,000) the important cotton port of Texas, is situated on an off-shore sand reef, and has, with great difficulty, been provided with a navigable channel across the bar, so that ocean ships may reach it. It is the principal Gulf port of the Southern Pacific Railway.

San Francisco (460,000), the great Pacific port, is situated on the San Francisco and Pablo Bays, and has the only good harbour on the Pacific coast from Mexico to Puget Sound. Ocean vessels of large draught can be admitted at all states of the tide. It is the natural gateway of an area very productive in fruit, wheat, wool, and precious metals; and is the western terminus of the southern trans-continental railways. An important trade is carried on with Europe, Australasia, and the Far East. San Francisco is bound to grow still larger. Its chief exports are wheat, fruit, timber, wine, and quicksilver.

Portland (Maine), with a population of 250,000, possesses a fine harbour, and is one of the winter ports for Canadian traffic.

Savannah, on the Georgian coast, exports tobacco and the famous long stapled "sea-island" cotton.

Charleston (South Carolina) also exports "sea-island" cotton.

Mobile (Alabama) stands at the head of a bay formerly the lower valley of the Alabama River, but now a drowned valley. It possesses the best harbour in the Gulf, and has water communication by the Alabama River to the coal and iron of Birmingham. Mobile is an important cotton port.

Pensacola (Florida) is chiefly a timber port, but also exports cotton. Its harbour is a good one.

Portland (Oregon), **Tacoma** (Washington), on Puget Sound, and **Seattle** (Washington) export lumber, wheat, salmon, and fruit. They are ports of rising importance. The coal and iron mined in the neighbourhood are developing shipbuilding; and the trade with the Far East is bound to increase.

Lake Ports. **Chicago**, situated at the southern extremity of Lake Michigan, is the greatest of Lake ports, and the second city of the Union, with a population of nearly 2,500,000. Chicago is largely the result of railway and water transportation. It has excellent docks and a deep water harbour; is the natural converging point of many railways from the east, west, and south; is the natural northern outlet of the cereal and cattle regions of the Plains; and is a convenient centre for the lumber of Michigan. The ease with which coal and iron can be obtained have led to a vast steel and iron industry, which furnishes locomotives and railway plant for the great volume of traffic, and agricultural machinery for the vast farms of the West. The slaughtering and canning industries of Chicago are on an enormous scale. It has been well said that Chicago feeds the East and furnishes the West.

Duluth (400,000), on Lake Superior, is a great primary export wheat market, and provides an outlet for the cereals of the Red River Valley and for the minerals of the Superior region. It smelts silver, lead, and copper ores.

Buffalo (470,000), on Lake Erie, is an important railway centre, it distributes coal, ore, lumber, and grain eastwards, and manufactured goods westwards.

Milwaukee (440,000), on Lake Michigan, is a great grain port and milling centre, and has great breweries. Its German population is large.

Detroit (570,000), on the Detroit River, between Lakes Huron and Erie, possesses a fine harbour, and does a great trade in grain, pork, and copper.

Cleveland ("Forest City"), with a population of 670,000, on the southern shore of Lake Erie, possesses a good harbour. It smelts Lake Superior iron ores, and has an important shipping trade in grain, lumber, coal, and manufactured goods.

Inland Trading Centres. **St. Louis** (750,000), the busiest river port in the world and the great commercial centre of the Mississippi Valley, is situated a little below the confluence of the Missouri and the Mississippi. It has the advantage of two great waterways to the ocean—the Mississippi southwards, and the Great Lakes and the Erie Canal eastwards—and is a great railway and natural distributing centre. Its markets for grain, flour, live-stock, tobacco, cotton, and sugar are of high importance. Formerly important on account of excellent water facilities, it now owes its importance largely to railroad facilities.

Pittsburg (580,000), perhaps the most populous centre of the Union, mainly dependent on manufacturing industries, is situated where the Monongahela River and the Alleghany River unite to form the Ohio. Its favourable position for traffic by water gave it its first growth; its modern growth is the result of the coal and iron of Pennsylvania, and the converging of routes upon it from the Atlantic, Lake Erie, and the Gulf of Mexico. Pittsburg carries on all branches of the iron and steel trades; the ores used are obtained from the Lake Superior district and eastern Pennsylvania, for the local supply of ore is now scanty. The supply of fuel—coke, petroleum, and to some extent natural gas—gives Pittsburg an advantage. Glass-making is the second industry. Round Pittsburg the iron and steel industry is so highly centralised as almost to be comparable with the centralisation of the cotton industry in Lancashire.

Minneapolis (360,000), at the St. Anthony Falls of the Mississippi, the lowest and largest of the Upper

Mississippi Falls, is one of the greatest primary wheat markets and milling centres of the world. It is the chief city in the wheat belt. A market here was the natural result of the fertile wheat lands of the west and south-west, of the excellent railway and water facilities with which Minneapolis is provided, and of the aid given to the local milling industry by the water-power of the Falls of St. Anthony. Minneapolis is also a great lumber centre.

Kansas City (300,000), at the junction of the Kansas and Missouri Rivers, is the centre of the hard winter wheat region. It has a great cattle market and large packing establishments. Its modern development is largely due to its excellent railway facilities.

• **Omaha** (165,000), on the Missouri in Nebraska, is a great railway centre, lines radiating from it in all directions. Like Kansas City, it is a great cattle centre, and has an important packing industry.

Cincinnati (410,000), on the middle Ohio, owed its importance originally to the traffic on the Ohio River, its modern growth is due in part to water traffic, but more to excellent railway facilities. It has great pork-packing establishments and manufacturing of locomotives, machinery, iron and steel goods, clothing, boots and shoes, and furniture. Its grain, iron, and horse markets are important.

Indianapolis (271,000), the capital of Indiana, is a great railway centre. The natural gas and petroleum near at hand have led to a great manufacturing industry. Its manufactures are very similar to those of Cincinnati.

Louisville (240,000), at the Falls of the Ohio in Kentucky, is the great market for leaf tobacco. Among its industries are pork-packing, brewing, and the manufacture of metal goods and ploughs.

Memphis (150,000), on the Mississippi in Tennessee, is a cotton market and manufacturing centre.

St. Paul (247,000), at the head of the Mississippi navigation, is a great railway centre. As a grain town it is in very active competition with Minneapolis.

Washington (364,000), on the Potomac, in the Federal District of Columbia, is the capital of the United States, and is purely a governmental city. It has practically no commerce, though possessing great geographical advantages for it.

Denver (260,000), on the South Platte River in Colorado, is an agricultural, stock-raising, mining, and railway centre.

People. It is interesting to note that the greater part of the population of the United States is settled, and the chief activities—farming, mining, and manufacturing—are to be found east of the 100th meridian; previous considerations will supply the explanation. The Americans are mainly of European origin; in the south, the negroes, who number about one-tenth of the total population, have their homes, and they provide an unsolved problem. A few Indians still survive in the parts reserved for them. Of Asiatic peoples, the Chinese are the chief; they are settled in the Pacific States, but their number is small. Immigration, the main source of the increasing population of the United States, is declining owing to restrictive measures on the part of the Government, and to the growth of democracy in Europe, which has made conditions of life better in European countries, and so is lessening the number of emigrants from them. The vast extent and vast resources of the United States have the effect of giving to her people the faculty of conceiving

great projects and of carrying them through; ingenuity is also awakened, and operations on a large scale are characteristic of the manufacturing industries. After the Civil War of 1861-1865 the United States began to develop her railway systems and her industries, and to populate the vacant territory. It has only been within recent years that she has turned her attention to the acquiring of colonies. About half of the population is engaged in agricultural pursuits, one quarter in manufacturing industries, and the remaining quarter in the buying, selling, and transportation of goods. Closer settlement of the land will now be a necessity, and the system of farming, which is largely extensive, must soon pass to the intensive form; no other conclusion is possible.

Mails are despatched several times a week, but the regular services are those of Wednesday and Saturday. New York is 3,100 miles distant from Liverpool. The time of transit is calculated at about seven days, though some vessels carry the mails even quicker.

Outlying Territories of the United States. There are two outlying territories, viz.: Alaska and the Hawaiian Archipelago. Alaska, the north-western extremity of North America, 591,000 square miles in area, was bought from Russia in 1867; its boundary on the east is the 141st meridian, and on the west it approaches within 54 miles of Asia. The population is about 65,000. The coastal strip and the islands of the Alexander Archipelago are habitable, but the vast interior is a frozen waste. The capital is *Juneau*. Economically, Alaska is only important for the seal fisheries of the Pribilof Islands, sea-otter catching, the salmon of the rivers, and the minerals, especially the gold at Nome on Norton Sound. Coal is known to exist in several of the fringing islands, and valuable timber of spruce, fir, and cedar, little used now, may become important.

The Hawaiian or Sandwich Islands are a volcanic group of eight principal islands, 2,100 miles south-west of San Francisco. Their area is 6,405 square miles, and the population is about 256,000. The climate is temperate and equable. Sugar, coffee, rice, bananas, pineapples, hides, and wool are the chief productions.

Honolulu, the capital, is the port of call in the North Pacific for steamers from San Francisco to Australasian ports.

Cuba, acquired from Spain, is now independent. It is the largest of the West Indian Islands, and is important as commanding some of the approaches to the Panama Canal. (See CUBA.)

The Colonial Possessions were mainly acquired in 1898, as a result of the Spanish-American War. They include the Philippine Islands in the East Indies, Guam Island in the Ladrone Group, Porto Rico in the West Indies, and Tutuila, one of the Samoan Islands, added in 1900. The Philippines, some 1,200 in number, lying off the south-east coast of Asia, are not quite as large as the British Isles. Luzon Island is the largest, and most fertile. The islands are volcanic and subject to earthquakes. Manila, on Luzon Island, is the capital; other large towns are Zamboango on Mindanao, Iloilo on Panay Island, and Zebu on Zebu Island. The chief productions are Manila hemp, tobacco-leaf, cigars, sugar, coffee, indigo, copra, and rice.

Manila town owes its importance, as the northern centre, to its excellent position.

Porto Rico is about half as large as Wales.

The capital is *San Juan*, and the chief commercial town *Ponce*, on the south coast. Sugar, coffee, tobacco, and fruits are the chief productions. The freeing of the island from customs duties in its trade with the United States has brought great prosperity to Porto Rico. (See PORTO RICO.)

The United States, in 1917, purchased certain of the *Virgin Islands* in the West Indies. *Santa Cruz* (or *St. Croix*) is the largest of the group, other islands are *St. Thomas* and *St. John*. The population is engaged chiefly in the cultivation of the sugar-cane. Cotton is also grown.

UNIT OF VALUE.—The unit of value is the coin by which the value of all other coins is measured. For instance, in the United Kingdom the sovereign is the unit of value, in France the franc, in India the rupee, and in the United States the dollar. (See FOREIGN MONEYS.)

UNIVERSAL TIME.—(See TIME, COMPUTATION OF.)

UNLAWFUL AGREEMENTS.—An agreement or a contract is unlawful when it is prohibited by law. Thus, all agreements which contemplate the commission of a crime or a civil wrong, or which are contrary to public policy (*q.v.*) are classed amongst unlawful agreements. (See CONTRACTS.)

UNLIMITED COMPANIES.—(See COMPANIES.)

UNMERCHANTABLE.—Goods are so described when they are in any way below the usual standard, or not in their natural sound state.

UNOCCUPIED PREMISES.—(See DESERTED PREMISES.)

UNSEAWORTHY.—A ship is so described when, owing to age, want of repair, insufficient hands, or incompetency of master and crew, it is not safe to send her on a voyage or to load her with cargo.

UNSE, UNSER.—(See FOREIGN WEIGHTS AND MEASURES—DENMARK.)

UNSTAMPED DOCUMENTS.—The various documents which are required to be stamped according to law are noted in the article on STAMP DUTIES. In any legal proceedings which depend upon documentary evidence, no unstamped document is admissible in evidence, if the court takes cognisance of the fact that the document is unstamped. In order to render it admissible it must be stamped and the fixed penalty paid.

UNZ, UNZEN.—(See FOREIGN WEIGHTS AND MEASURES—SWITZERLAND.)

UPSET PRICE.—In auction sales the lowest fixed price at which a vendor is willing that his property shall be started and sold if no higher bids can be obtained.

UPTOWN WAREHOUSE.—A warehouse not situated by the waterside licensed by the Customs to store bonded or dutiable goods.

URANIUM.—A hard, whitish metal, generally found in pitchblende (*q.v.*). It forms numerous compounds, which are used for photographic purposes, for discharging electroscopes, and for the production of a black pigment (valuable in china-painting) and of a yellowish fluorescent glass.

URBAN DISTRICT COUNCIL.—The work of the urban district council used to be performed by the urban sanitary authority, which was called "the local authority" in the Public Health Act of 1875. The urban authority was, and, in the case of town councils, still is, the mayor, aldermen, and burgesses acting by the council, or an improvement Act district, not situated within a borough and managed by Improvement Commissioners, or a local government district managed by a local board of health.

The duties of the urban authority are: The regulation of bakehouses; dwellings for the working classes; baths and wash-houses; river conservancy; sewers, including the purchase, or making, or maintaining of them; drainage of undrained houses, disposal of sewage, sanitary conveniences, public and private, including the sanitation of factories and workshops; scavenging and cleansing streets and houses; removal of refuse; the making of by-laws; insanitary houses; nuisances; offensive ditches and drains, water supply; fire plugs; purity of water; non-pollution of streams; regulation of cellar dwellings and lodging-houses; power to enter and inspect any premises, including ships lying in any river, harbour, or other water within the district, offensive trades, inspection and condemnation of unsound meat, poultry, game, flesh, fish, fruit, vegetables, corn, bread, flour, or milk exposed for sale.

Further duties are: The provision against infection by the erection of isolation hospitals, destruction of infected articles, removal of infected persons from houses or ships, the prevention of epidemic disease, the provision of mortuaries and means to make *post-mortem* examinations, to carry out all duties relating to the highway, the regulation of streets and buildings, naming streets, numbering houses, dealing with ruinous or dangerous buildings, lighting streets by gas or electricity, the purchase or making of public pleasure grounds, the provision of markets and slaughter-houses, police regulations as to street obstructions and nuisances, fires, places of public resort, public bathing, the licensing of horses, ponies, mules or asses, pleasure boats and vessels hired by the public.

The urban authority may enter into any contract for carrying out their duties. If the contract exceeds £50, it must be sealed with the corporate seal; power is given to the urban authority to purchase, lease, or exchange lands, to go to arbitration in case of dispute, to appoint the following officers—medical officer of health, surveyor, inspector of nuisances, clerk, and treasurer. When an urban authority is the council of a borough, it must exercise its powers and duties under the Public Health Acts and the Municipal Corporations Acts respectively.

The urban authority also possesses certain powers of rating and borrowing. A district fund is to be created, and all moneys received must be credited to it. The urban authority has power, under its common seal, to levy a rate, called the general district rate, and this rate must be assessed on the full net annual value stated in the valuation list, or in the rate book for the relief of the poor. A private improvement rate may also be levied and charged upon private persons whose property has been improved by the urban authority. A highway rate may also be imposed, but, in fact, the charge becomes part of the general district rate. The estimate for urban rates is shown as follows: The different sums required for every purpose, the rateable value of the property assessable, the amount of rate in the £ which is necessary for each large item of expense.

The borrowing powers of the urban authority are checked and regulated by the Ministry of Health, and a description of these powers occupies many pages of the Public Health Acts. The accounts of the urban authority are audited by Government auditors from the Ministry of Health. If the urban authority is a town council, the audit

is taken in a different way (TOWN COUNCIL, *q.v.*). An urban authority may also be a port sanitary authority where its area includes a port, or the waters of such port.

The Ministry of Health has large powers over urban authorities which are not boroughs. It may hold inquiries in the public interest, and may make Provisional Orders applicable to an urban authority, and these Orders have the force of statutes, but not until the same have been confirmed by Parliament. If an urban authority fails to do its duty, it can be compelled by the Ministry of Health. On the application of the urban authority, the Ministry of Health has power to repeal or alter local Acts by Provisional Order.

The constitution of the modern urban district council is prescribed in the Local Government Act, 1894. The chairman of the urban district council is a justice of the peace by virtue of his office. No person may be an urban district councillor unless he is a parochial elector for some parish within the district. Women, married or single, are eligible to be elected councillors. The urban district councillors are elected by the parochial electors of all the parishes within the district. The elections follow, generally, the same course as other Local Government Elections (*q.v.*). A council is elected for three years, and on going out of office is eligible for re-election.

It is the duty of the urban district council to protect rights of way, rights of common, and roadside wastes. The expenses of an urban district council are defrayed out of the district fund and general district rate; and, where it is desirable, the Ministry of Health may order that the council of an urban district shall have the right to appoint overseers and assistant overseers. The accounts of the urban district council are audited by the Ministry of Health district auditors on the last day of March and the last day of September in every year. (See LOCAL GOVERNMENT, RURAL DISTRICT COUNCIL, TOWN COUNCIL.)

URUGUAY.—Uruguay, the smallest South American republic, is bounded on the north by Brazil, on the east by the Atlantic Ocean, and on the south and west by the rivers Plate and Uruguay. Its area is 72,210 square miles, and its population a little over 1,400,000.

The surface is a well-watered, undulating, grassy plain, broken only by several low mountain ranges of an average height of about 2,000 ft. Uruguay has 685 miles of maritime and river coast, but derives little commercial benefit, owing largely to the absence of good harbours. The river Uruguay, rising in Brazil, is about 1,000 miles in length, but navigation is impeded by the cascade at Salto. Other rivers are the Queguay and the Rio Negro, flowing to the Uruguay, and the Santa Lucia and San José, which join the Plate. The climate is mild and healthy, and the country receives a slightly greater rainfall than the more populous parts of Argentina. The heat of summer is tempered by Atlantic breezes. Agriculture is extending, but ranks after sheep-rearing and stock-raising. Wheat is the most important crop, but maize, barley, millet, oats, rye, and flax are also grown. Vine, olive, and tobacco cultivation and fruit-growing are becoming important. Mining is developing, gold mines are worked in the north, and silver, lead, copper, magnesium, and lignite are found. The pastoral

industry is of prime importance, especially in the departments of Salto and Paysandú. The rich pampa soils, with their phosphates and alkaline silicates, are well suited to cattle raising. Meat packing and the making of meat extracts are important at Paysandú, Montevideo, and Fray Bentos. The chief railway connects Montevideo and San José. The chief exports are living animals, extracts of meat, beef, mutton, maize, hides, tallow, horns, bone ash, wool, skins, and caoutchouc; and the chief imports are liquors, textiles, apparel and haberdashery, iron goods and machinery. The chief trade is with Great Britain, Argentina, Germany, France, Italy, Brazil, the United States, and Belgium.

Montevideo is the chief port. The chief trade centres are Montevideo (379,000), the capital and chief centre, San José (inland centre), Colonia, Paysandú, Salto, Santa Rosa, and Fray Bentos. Montevideo is a clean and attractive city, situated at the mouth of the La Plata. It is the commercial rival of Buenos Ayres, but suffers from inferior harbour facilities.

There is a weekly mail service to Uruguay via Liverpool or Southampton. Montevideo is 7,030 miles distant from London, and the time of transit is about twenty-one days.

For map, see AMERICA.

USANCE.—The time allowed by usage for the currency of bills of exchange between any two countries. Sometimes foreign bills are drawn payable at one, two, or more usances. (See FOREIGN BILL.)

USE AND OCCUPATION.—A charge made for premises in lieu of rent. The following remarks are taken from Foa's "Landlord and Tenant": "The fact of occupation by one person of premises belonging to another, by permission express or implied, gives rise to a presumption that a reasonable compensation for their use has been agreed upon between the parties. In this way arises usually the action for 'use and occupation,' which is thus seen to be always founded on agreement or contract. When there has been no express agreement between the parties, or when, there being an agreement, the amount of rent has not been settled, this form of action may be resorted to; and even when the agreement defines the amount of rent to be paid it is not unusual in suing for it to add a claim for use and occupation, especially when there has been by consent some departure from the original contract. So where an agreement exists by which a stipulated rent is to be paid, if the landlord is from any cause precluded from recovering it (e.g., where its payment is made conditional on the execution by him upon the premises of repairs which he has failed to complete, or where an eviction by title paramount occurs from the possession of the whole of the premises he has agreed to let), the tenant, if he enjoys the occupation, may be sued in this action for so much as such occupation may be reasonably worth."

USUFRUCT.—The right of using for a specified time something which is the property of another, but without diminishing or altering its shape or form.

USURY.—This word denotes an exorbitant rate of interest charged by the lender of money for its use by the borrowers. The matter is fully dealt with in the article entitled MONEYLENDERS.

V.—This letter is used in the following abbreviations—

V., Against (Latin, *versus*).

Via., By the way of.

Viz., Namely (Latin, *videlicet*).

VAGRANT.—A vagrant or vagabond, according to its derivation (Latin, *vagor*, I wander), originally meant a wanderer. In early times every person who was found away from his own county without lawful reason, was regarded as a vagabond or foreigner, and a list of such persons was kept by the sheriffs of each county. This was especially necessary at a time when it was not unusual for "villeins", to attempt to escape from their employers and their work by running away into another county. From time to time laws were passed dealing with men who had no masters, and compelling them to work, and fixing the amount of their wages. These men were called vagabonds or vagrants, but these names were applied to other persons whose offences were only remotely (if at all) connected with wandering. The chief statute on the subject of vagrants is the Vagrancy Act of 1824, and the present law is contained in that Act, with a few modifications made by subsequent legislation.

The persons subject to the Vagrancy Acts may be divided into three classes—

- (1) Idle and disorderly persons,
- (2) Rogues and vagabonds, and
- (3) Incurrible rogues

Idle and Disorderly Persons consist of the following sub-classes—

(a) Every person who, though able wholly or partially, to maintain himself or herself, or his or her family, by work or other means, wilfully neglects or refuses so to do.

(b) Any person who applies for poor-law relief and has at the time any property of which, on inquiry, he shall not make a correct and complete disclosure.

(c) Any person who wilfully gives a false name or makes a false statement for the purpose of obtaining relief.

(d) Any woman who, being able wholly or in part to maintain her bastard child, neglects so to do, whereby such child becomes chargeable to the parish, township, or place.

(e) Any person returning or becoming chargeable to a parish from which he or she has been removed by order of justices, unless he produces a certificate acknowledging that he is settled at another place.

(f) Every pedlar wandering abroad and trading without a licence or otherwise authorised by law.

(g) Every common prostitute wandering in the public streets or in any public place and behaving in a riotous or indecent manner.

(h) Every person who places himself in any public place for the purpose of begging or causing any child so to do.

(k) Any pauper who absconds from a casual ward before he is entitled to discharge himself, or escapes during the period of his detention in any workhouse or asylum, or while in a casual ward or workhouse refuses to do the work or observe the regulations prescribed.

Punishment. A fine not exceeding £1, or imprisonment with or without hard labour for not more than fourteen days, if convicted before one justice, or a fine not exceeding £5 and imprisonment with or without hard labour for not more than one month, if convicted before two justices in a petty sessional court. Hard labour cannot be ordered in default of payment of the fine imposed.

Rogues and Vagabonds consist of many subdivisions, and it will be seen that wandering about without a permanent home is not a necessary qualification to constitute a rogue and vagabond. On the other hand, a man may lead a wandering life, and go about begging from place to place (*e.g.*, begging for food for the wives and children of colliers out on strike), and yet he would not in law be a rogue and vagabond, provided the begging is neither for an unlawful object nor carried on in a disorderly manner. The following are the chief sub-divisions—

(1) Any male person (a) who knowingly lives (either wholly or partially) on the earnings of prostitution, or (b) in any public place persistently solicits or importunes for immoral purposes.

(2) Fortune-tellers and palmists who by trickery deceive or impose upon His Majesty's subjects.

(3) Every wanderer who lodges in a deserted dwelling, outhouse or tent, or in the open air, without visible means of subsistence.

(4) Every person who exposes in any public place, or in the window of any shop, any obscene print, picture, or other indecent exhibition.

(5) Every person who wilfully and obscenely exposes his person in any street or place of public resort, with the view to insult a female.

(6) Every beggar who attempts to beg or obtain alms by exposing his wounds or deformities.

(7) Every one who collects alms by false pretences.

(8) Every one who runs away and leaves his wife or children chargeable to any township, parish, or place.

(9) Every one who plays or bets by way of gaming or wagering with any coin, card, token, or other article in any street, road, or other public place.

(10) Every person who has in his possession or custody any picklock or other implement of house-breaking, with intent feloniously to break into any building.

(11) Every person who is armed with any gun, pistol, bludgeon, or other offensive weapon, with intent to commit any felonious act.

(12) Every person who is found on any building or enclosed premises for any unlawful purpose.

(13) Every suspected person or reputed thief frequenting any river, dock, quay, highway, or place of public resort with intent to commit a felony.

(14) Every person apprehended and subsequently convicted as an idle and disorderly person, who shall forcibly resist the police-officer so apprehending him or her.

(15) Every person who is convicted a second time of any offence, as an idle and disorderly person.

(16) Every pauper who wilfully destroys or

injures his own clothes or damages any of the property of the guardians.

(17) Any person who untruly confesses himself to be a deserter from one of His Majesty's ships, or who makes a false statement on enlistment in the naval service

(18) Under the Aliens Act, 1905, certain offenders are deemed to be rogues and vagabonds, and punishable accordingly.

Punishment. Imprisonment for not exceeding three calendar months. Instead of imprisonment, a fine not exceeding £25 may be imposed, recoverable by distress, but hard labour cannot be ordered in default of payment. Where the charge is concerned with implements of housebreaking, offensive weapons, etc., an order may be made forfeiting those implements or weapons. Where the conviction takes place before one justice (who is not a stipendiary magistrate), the maximum term of imprisonment is fourteen days, or a fine not exceeding 20s.

Incorrigible Rogues are—

(1) Vagrants who break out of confinement before the expiration of their term of imprisonment

(2) Any person who is convicted a second time as a rogue and vagabond.

(3) Any person who, being apprehended and subsequently convicted as a rogue and vagabond, violently resists the police-officer who apprehends him.

Punishment. An incorrigible rogue, on conviction, is committed to the next general or quarter sessions, when the circumstances of the case are examined, and the bench of justices have power to order imprisonment with hard labour for a term not exceeding one year from the date of making such order, and, in addition (in the case of a male offender), a whipping at such time during his imprisonment and at such place as they shall deem expedient

No warrant is necessary for apprehending a person found committing an offence against the Vagrancy Act, 1824. Any one who sees the offence being committed may arrest the offender and convey him before a justice or hand him over to a constable and a constable who refuses to take him into custody is liable to a fine not exceeding £5. If any money is found upon or in the possession of an offender, it may be applied towards the expenses of his apprehension and conveyance to and maintenance in prison. If the money found is not sufficient, his effects may be sold and the proceeds applied for the above purpose, and the balance is returnable to him.

An appeal against a conviction for any of the above three offences lies to Quarter Sessions and not to the Court of Criminal Appeal, because it is not a conviction upon indictment, but an appeal does lie to the Court of Criminal Appeal against a sentence passed at Quarter Sessions on an incorrigible rogue.

VALENCIAS.—Raisins prepared by dipping bunches of grapes into a hot alkaline solution and afterwards drying them in the sun. They are imported from Turkey.

VALERIAN.—A shrub of which there are many species. The root of the common valerian, found in Britain, is used in medicine in cases of hysteria. The plant is sometimes known as all-heal.

VALONIA.—The name given to the acorn-cup of the *Quercus ægilops*, a species of oak found round the Levant. It is rich in tannic acid, and is much

used together with oak bark in the tanning industry. The chief supplies come from Smyrna.

VALUATION.—The fixing of a price for anything. Also assessing property for the purpose of taxation. (See QUINQUENNIAL VALUATION)

VALUATION OF ASSETS.—Assets may be classified as (1) *fixed* and (2) *floating*. From this classification we obtain the important rules as to valuation of assets whereby fixed assets are to be valued, in the first place, at cost and thereafter an amount deducted and charged to the profit and loss account representing the depreciation, wear and tear, or amortisation which has taken place during the succeeding period of the accounts, the object being to write out of the books entirely the value of the asset during the period of its effective life. Floating assets are to be valued at cost or the market price at the time of the balance sheet, whichever be the lower.

Another classification is introduced as supplementary to the above and gives us certain amplifications of the rules. This classification is based on the nature of the asset and not on the use to which it is put, and is as follows—

1 Those assets which from their nature appreciate in value

2 Those which from their nature fluctuate in value

3 Those assets which depreciate in value.

The rules derived from this second classification are important assets which in their nature appreciate in value may be brought into the accounts at cost plus the estimated value of the appreciation during each succeeding accounting period. A company which is formed with the object of purchasing reversionary interests would be justified in including in its accounts the increase in value of those particular assets as they approach maturity. The same remarks would apply to such cases as the stock of a wine merchant who buys immature wines with the object of obtaining the extra profit which will arise by keeping those wines for a period of years. It should, however, be noted that appreciation should only be taken credit for in the accounts when the asset is acquired with the specific object of reaping the benefit which will arise from its retention, and these arguments could not logically be urged by a trader who is merely holding stock because he has not had the opportunity of advantageously selling it, since in this case, though a profit may arise and that profit be traceable to the retention of the stock, yet the whole transaction and resulting profit is the result of an accident, and as such could not be taken credit for in the accounts.

In the case of those assets which from their nature fluctuate in value, the proper method of treatment in the accounts is to take credit for any profit which has actually been made but not to anticipate any profit which has not been realised. In cases where the value of the assets shows a continuous tendency to decline (as in the case of the majority of gilt-edged securities during the last decade), then the proper course to adopt is to charge the profit and loss account with such an amount as is deemed sufficient to meet the contingency of ultimate loss on sale, and to credit this sum to a reserve account. In the balance sheet, the asset should be shown at cost on the assets side and the amount of the reserve deducted from it. It may be an advantage to state as a memorandum in the balance sheet, the market price of the

investments at the date of making up the accounts

In the case of those assets which from their nature depreciate in value, the proper course is to charge the profit and loss account each year with the amount of the depreciation and deduct this amount from the asset, thus showing the gradually diminishing value in the accounts each year. The method of calculating the amount of depreciation is discussed under DEPRECIATION.

It is felt that the reader will find that the rules above given will give guidance in dealing with the great majority of cases which arise, any shortcomings of the rules arising out of the first classification being, as a general rule, met by the rules arising out of the second. It should be borne in mind that practically every asset is subject to alteration in value owing to usual market fluctuations so that though assets may be described generally as naturally increasing or decreasing in value, the element of fluctuation may act in such a manner as to negative very largely, if not entirely, the general tendency to any particular moment of time. In cases where it is desired to take credit in the accounts for an appreciation in the value of assets before the profit has been realised, very careful inquiries should be made with a view to ascertaining whether the increase is in reality natural appreciation, or whether it is merely favourable fluctuation which is liable to react at any time. Again, in measuring the rate of depreciation of those assets which depreciate in value, the question as to whether the cost of the asset was a normal cost is a matter which should receive attention. If, for example, an engineer purchased machinery during the period of the war, with the object of manufacturing for war requirements, the fact that he had to pay a very much enhanced price for that machinery is an important element in deciding what amount should be written off as depreciation. Neglect of this point would involve the manufacturer in a heavy standing charge for depreciation of machinery and plant after the war which in all probability he may find difficulty in covering by his normal profits.

VALUE.—The idea of value is fundamental in a state of highly specialised occupations, where each man obtains the things he consumes through a numberless series of exchanges. We may, even without exchanges, arrange our possessions on a scale; we should be more loath to lose one thing than another. We shall value them in unequal degrees; they will, to us, be regarded with more or less affection and regard; but value in the economist's sense emerges only when actual exchange is projected. The degree of desirability to the individual, which we may name value in use or subjective utility, is a matter on which we can lay down no laws, and which, therefore, does not fall within the scope of our study. There is no accounting for tastes. The value in use of a thing to different people varies inexplicably, as well as in easily understood manners. Why does this man prefer to spend a sovereign on a carousal instead of buying a new coat to replace his now tattered garment? Why does a woman, who has to dispense either with a new ribbon or an adequate meal, buy the ribbon?

The value in exchange, or objective utility, is something, however, which comes, at all events roughly, under rule; for it is measured by money. The value of a thing is the command which the

possession of that thing gives over purchasable commodities in general. It is the relation in which that particular thing stands to others. Value is not an inherent and substantive quality in the thing itself, but depends partially on other things. The value of silver is high in regard to iron, because it needs many pounds of iron to obtain one pound of silver; the value of silver is low in regard to gold, for one pound of gold will command many pounds of silver. The idea of utility, the ability to satisfy some purpose is, of course, essential to value, we should not value anything for which we had no use, though this "use" may at times be only the pleasure and pride of possession. But the utility of a thing may vary without affecting its exchange value. To a connoisseur of pictures who goes blind, the pictures have lost their utility, but their exchange value remains unimpaired. It will be noted that the definition given restricts itself to commodities which we cannot obtain gratuitously and without effort. The air, for instance, has an infinite value in use; but since this commodity, at any rate, cannot be appropriated and made a saleable article, it has no value in exchange, to which sense of the word "value" we henceforth confine ourselves; and since value is a relation, we note also that there cannot be a general rise of values. To say that one thing rises in value is simply another way of saying that the things with which we compare it have fallen in value. There may be a general rise of prices, for price is the value of a thing in relation to gold, and to say that the price has risen is a way of saying that the value of gold in relation to that thing has fallen; and all prices will rise if the value of gold falls; but if some values rise, others must, according to our definition, of necessity fall.

That a thing may have any value in exchange it must possess two properties. It must be useful, that is, it must fulfil some purpose, satisfy some desire. Opium, though it may be steadily undermining mind and health, is useful in one sense, since it satisfies an intense desire, so is a diamond, since it fulfils the purpose of ornament, and gratifies the desire for distinction through variety and costliness of the ornament. The valuable thing must also present some difficulty of attainment. Though a thing be incontestably useful, it will not rise to exchange value unless there is also an obstacle to its attainment. The utility of the article is the foundation of value. Difficulty of attainment would not be sufficient to contribute the ideas, unless utility were present, a pebble dropped in mid-Atlantic is difficult of attainment, but it has no value, since it lacks the primary property of fulfilling some purpose or satisfying some desire.

In articles which possess the two requisite properties there are many degrees of value. On what do these degrees depend? Here is the most debated question of political economy. Clearly, value does not depend on scarcity. If I have a poem in my possession of my own composition, it is scarce enough, it is, in fact, unique, but it has no value because nobody will give anything in exchange for it. Nor does the amount of utility decide the question, a glass of milk is of incalculable utility to a starving man, but in a state of free competition its value is much less than he would be glad to pay rather than go without it. In very rare cases can the price be racked so high that it corresponds to the buyer's estimate of its utility to himself. Such a case might occur in a strict and

absolute monopoly when a seller who had sole control of an article could demand a price to an amount only limited by his possible failure to find a customer. The value, as measured by the money price, of articles which are thus rigidly limited is dependent (1) on the one side, on the seller's knowledge of the intensity of desire on the part of buyers and his keenness in bargaining, (2) on the other side, on the amount of "effectual demand" of the buyers, by which we mean the intensity of the desire to possess together with the power to purchase. The holder may be shrewd enough to hold out till the price asked and given corresponds exactly with the buyer's estimate of the total utility for his purposes of the article—whether it be the unique coin, the matchless painting, or anything else of which it is physically impossible to increase the quantity. The value of most articles, however, corresponds to what is called the *marginal utility*. This may be taken as the effectual demand—the desire to obtain together with the purchasing power—of the weakest buyer, he who is just worth catching at all, whose estimate of the use to him is exactly equivalent to the estimate of the other uses to which he might put the purchase money. If a boy with a sixpence wavers between several different employments of it—to buy sweets, or nuts, or apples, to pay the entrance to a football match, or to a picture show, to replenish his missionary box, or to lay aside for an approaching holiday—we may assume that all the desires are temporarily of equal intensity, and each is equal to his wish for sixpence. Or, leaving what we may call the marginal purchaser, we may consider the final purchase of the man who, buying more than one unit of the article obtains from the first units purchased a surplus of satisfaction, and goes on purchasing till the satisfaction from the last quantity exactly equals the satisfaction derived from the possession of the purchase money. If a devotee to smoking were restricted to an ounce of tobacco in the year, he would very likely be willing to give its weight in gold rather than go without it. Being able to get the ounce for 1s. he makes a gain, on the principle that we save what we do not require to spend. The difference between what he would have been prepared to part with to gratify his desire and what he actually has to give, is usually called his consumer's surplus or consumer's rent. A second ounce per annum would still be in our smoker's estimation worth far more than the price charged to him; he would gain largely on that, too, but having his first ounce he would not be willing to make extraordinary sacrifices for a second ounce: his gain would be less on the second. On each succeeding ounce the surplus satisfaction would decrease, and a point would ultimately be reached—the desire even for tobacco being satiable—where he hesitated to buy another ounce. This point would denote the margin.

The smoker who thus is in doubt whether or not to purchase another ounce at the price of 1s. is taken as representative of the whole market. The utility in his estimation of the last portion purchased, the final utility, is the value of the article. The marginal purchaser introduces in a new guise our old friend the "economic man," he who could always be relied on to act according to reason, who never did a foolish thing yet always said a wise one, who was always desirous and capable of promoting his own interest. Still there seems no real reason for departure, simply for the sake of

innovation, from the old idea that the value of all things which are the product of Labour and Capital is ultimately measured by their cost of production. Two things exchange for each other if made by the same amount of labour with the requisite auxiliary capital. Final utility may, in fact, be regarded as a subjective way of expressing cost of production: if in the world market the final utility is above cost of production, other producers seek to share in the abnormal profits and the increase in supply lowers the final utility till it again coincides with cost of production. For short periods and under special circumstances the value of a thing is no doubt determined by the intensity of demand when compared with the amount offered for sale. But, in the long run and for the great majority of commodities, the difficulty of attainment regulates the value, and difficulty of attainment usually means cost of production. The same article usually, however, has not one but several costs of production. A well-equipped and capably managed factory will produce its cottons more cheaply than an ill-organised, poorly furnished factory. Yet the calico from the first, if of equal quality, commands the same price as that from the second. Its value is the same, though its cost of production is less. The loaf made from wheat grown on the bounteous soils of Canada will cost as much as that made from wheat grown on the English soil impoverished by lengthy drains on its fertility. Then which degree of difficulty of attainment (or, translated into money, cost of production) determines the value, the least or the greatest?

Well, clearly, a producer will not continue producing unless he obtains the ordinary rate of profit on his outlay. The weakest producer, whose costs are highest, will yet be recompensed. The market calls for a certain amount, and the producer of the last portion required to satisfy the demand will settle the cost of production and consequently the price, the value expressed in terms of money. All the other producers will gain an added profit, which is rent. The cost of the whole output will, in a state of free competition, be that of the portion produced at the greatest expense, and yet indispensable. The stronger producers will obtain more for their product than they would have been content to take, just as the keenest buyers with the more intense desires need to pay less than they otherwise would have paid. The difference in the former case is the producer's surplus or rent—the added advantage that increased demand gives him. The difference to the latter is the consumer's surplus or rent—the benefit he derives from his environment.

The regulator of the value of articles subject to Monopoly is discussed under that head: here we speak only of commodities "freely produced." Of such things the price is roughly proportioned to the cost of production under the most disadvantageous circumstances; that is the natural price, any deviations from which set in operation forces that quickly restore it.

VALUED POLICY.—A marine insurance policy in which the amount insured is valued or fixed. (See MARINE INSURANCE, TIME POLICY, VOYAGE POLICY.)

VALUE IN ACCOUNT.—This is a term which is often found at the end of foreign bills, signifying that they are drawn in respect of services rendered, or when, from cross transactions between the parties, there is a balance remaining in favour of

the drawer. The words are purely a communication between the drawer and the acceptor.

VALUE RECEIVED.—This is a term invariably used as the last words in the body of a bill of exchange to indicate that the drawee has received either money or money's worth from the drawer. There is, however, always a presumption of consideration in the case of bills of exchange—and the rule also applies to promissory notes where the same words are generally found—and the term "value received" has no more significance than the expression "yours truly" in a letter. The presumption of consideration is always rebuttable if evidence is forthcoming to show that in fact there was no consideration. In the case of foreign bills of exchange the words should never be omitted, as the strict presumption above stated is one of English law and not necessarily applicable to other systems.

VALUER.—A person whose business it is to put a price or value upon anything. (See APPRAISER.)

VALUE UPON.—To draw a bill upon

VANADIUM.—A rare metal of whitish colour, infusible and very brittle. It has been used in the manufacture of steel, but its commercial value is very limited. Some of its salts are employed for colouring porcelain and for making aniline black.

VANILLA.—The commercial article of this name is the dried pod or fruit of the *Vanilla planifolia*, a species of orchid growing in the West Indies and in other tropical regions. Mexico, Brazil, and Mauritius are the chief exporting countries. The aromatic fruit is gathered before it is ripe, and generally steeped in the oil of the cashew-nut. Owing to its agreeable smell and taste, it is much used in perfumery and in confectionery.

VARA.—(See FOREIGN WEIGHTS AND MEASURES—BRAZIL, SPAIN.)

VARNISHES.—Solutions of resinous substances in various volatile liquids and fixed oils. For so-called crystal varnishes, oil of turpentine is used, while methylated spirit is generally employed in the manufacture of spirit varnishes. The chief resinous materials are dealt with under separate headings. Varnishes are used for coating wood and metal work, in order to protect it from exposure to air and moisture.

VASELINE.—An odourless and almost tasteless, semi-solid substance of pale yellow colour, obtained during the distillation of petroleum (*qv*). Paraffin yields a similar but inferior article. Vaseline is much used in the making of ointments, salves, and liniments. It is also an excellent lubricant, and is valuable as a protective coating for fine steel instruments, etc. Unlike animal fats, vaseline never becomes rancid.

VAT.—(See FOREIGN WEIGHTS AND MEASURES—HOLLAND.)

VATTING.—This is a Custom House term which means the mixing together of wines or spirits of the same sorts, brands, colour, etc. for the purpose of fortifying or strengthening the whole, or for obtaining a uniformity of character.

VAULT.—An underground cellar with an arched roof, generally used for the storage of wines and spirits.

VEDRO.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

VEGETABLE IVORY.—(See IVORY and COROZO.)

VEGETABLE MARROW.—(See GOURD.)

VEGETABLE OILS.—Vegetable oils are of growing importance. They are used in the manufacture

of oil cake, margarine, etc., as well as soap, and so may be included under the heading of food crops. They are derived from a number of plants, some temperate and others tropical in distribution. Of earliest economic importance was the olive tree, a native of Mediterranean lands and thriving best in the peculiar climate which obtains there. The oil from the fruit of the olive has contributed to the growth of Mediterranean civilization in supplying man with necessary fats which are lacking in a region where the conditions are adverse to dairy cattle and consequently butter. Most Mediterranean lands, especially Italy, France, Spain, and Asia Minor, produce large quantities of olive oil. Cotton seed oil comes from Egypt and the United States. Rape seed oil, derived from a species of mustard, is a temperate product and used chiefly as a lubricant. Linseed or flax seed oil is used in making oil cake for cattle as well as in the manufacture of paints, varnishes, and linoleum. Sesame is an important oil seed grown chiefly in India and Ceylon for local use.

The resources of the tropics in oil yielding plants are enormous, and capable of great development. Coconut oil is produced from copra, which is the dried kernel of the coconut palm. Copra is the chief commodity of commerce in the Pacific Islands, for the palm, which requires a tropical climate, prefers a situation near the sea.

Coconut plantations have brought into prominence many islands, otherwise of little or no value to man. Coconut oil is much used in margarine, soap, and candle manufactures. The yield of Ceylon is considerable. Palm oil is one of the oldest trade resources of West Africa, and still the most important. It is derived almost entirely from wild trees and the industry is dependent on native labour, which is very wasteful in the extraction of the oil.

Another West African oil of great importance is ground nut oil. The plant is a native of South America, and Africa owes it to the early Portuguese traders. It is now grown also in India and in the southern United States.

There are many other vegetable oils of minor importance.

VELLUM.—(See PARCHMENT.)

VELVET.—A silk fabric, with a thick, fine, close-set pile obtained by means of a second warp, with a looped surface. When made of a mixture of cotton and silk, the material is known as velveteen. Lyons, Crefeld, and Bradford are important centres of the velvet industry, which is also carried on in Italy, Switzerland, and Holland, Genoa, Geneva, and Utrecht being the chief towns engaged in their respective countries. Velveteen is made at Manchester and at Amiens.

VENDEE.—The party to whom a thing is sold, or one who purchases on his own account.

VENDOR.—The person on whose behalf a thing is sold, or one who sells on his own account.

VENDORS' ACCOUNTS.—Adjustments between the vendor or vendors who sell a business or concession to a company are embodied in a series of special entries in the journal of the company, whilst the net result of the transactions will be found in the ledger under the title of "X The vendor." The basis of the adjustments between buyer and seller in such an important issue are usually set out in a proper agreement known as an "Agreement for Sale and Purchase," the agreement being described in the prospectus issued by the company.

So far as the agreement is concerned, this will adjust the matters connected with the purchase of the business. It is probable the conditions will also provide for payment of interest by the company, if the settlement is not made by a specified date.

Minor adjustments will also become necessary, as, for instance, the payment of an account by the company due to a creditor of the vendor, or *vice versa*—the receipt by the vendor of an account due by a debtor which by the agreement had been assigned to the company. Again proportionate amounts for rates, insurance, and such like periodical payments will need adjustment between the parties, but all these should be made the subject of a separate account. It is advisable to keep the business of transferring the concern in a distinct set of entries.

VENDORS' SHARES.—When a private business is sold as a going concern to a company, the person who sells it is often willing to accept shares in the company as the whole or as a part of the purchase price instead of cash. The shares may be ordinary shares and rank for dividend *pari passu* with the other shareholders of the company, or they may have special rights accorded to them varying with the peculiar circumstances of the case.

VENEZUELA.—Venezuela ("Little Venice") occupies the north of South America from the Gulf of Maracaibo to British Guiana, and is bounded on the south by Brazil and Colombia. Its area is nearly 400,000 square miles, and its population 2,800,000.

Three zones may be distinguished: (1) The Highlands of Guiana; (2) the great grassy plains or llanos of the Orinoco; and (3) the mountains of the Caribbean and Cordilleran Ranges. The climate, speaking generally, is tropical, but on the highlands it is modified by elevation. On the llanos there are two seasons—the wet and the dry. Agriculture is an important industry. On the mountain slopes cacao, coffee, cotton, indigo, rice, and even barley are cultivated. The tropical forest zone produces rubber, excellent timber, tonga beans, copaiba, and vanilla. On the llanos cattle-raising is largely carried on. Sheep, horses, asses, and pigs are reared in large numbers. Venezuela is rich in metals and other minerals. Gold is found in the Yuruari Territory, silver in the States of Lara and Los Andes; copper at Aroa, on the Bolivar railway; coal at Coro; and iron at Imatoca. Asphalt, lead, petroleum, and tin ore are plentiful. Poor transport facilities and lack of cheap labour are disadvantages to the industry. Manufactures are practically non-existent; even the sacking necessary for the export of the tropical produce is imported. The roads of Venezuela are primitive, and goods are conveyed on them by pack animals and small mule carts. The Orinoco provides a route into the interior, but is little used. There are short railway lines from La Guaira to Caracas, and from Tucacas to Aroa and Barquisimeto. The chief ports are La Guaira, Puerto Cabello, Maracaibo, and Bolivar (river port). Most trade is done with the United States, the United Kingdom, Germany, France, and Holland. The chief exports are coffee, cocoa, rubber, oxen, hides and skins, gold, asphalt, pearls (from the northern coast), copaiba, and cabinet timber. The imports consist mainly of provisions, cotton goods, hardware, coal, cement, iron and steel goods, and machinery.

Caracas (80,000) is the capital, and with Valencia is the centre of a rich coffee region.

La Guaira and *Puerto Cabello* are the two chief Caribbean ports, and both have railway connection with Caracas and Valencia.

Maracaibo (40,000), is an important port on the west, and exports coffee and cocoa.

Other towns are: *San Fernando de Apure* and *Nutrias* (river ports of the llanos), *Guania* (eastern port), and *Cariaco* (pearling centre).

Venezuela has the climate, the soil, and the minerals necessary for a far greater importance than it has attained. The country suffers much from locusts.

Mails are despatched once a fortnight via Southampton. Caracas is 4,760 miles distant from London, and the time of transit is about seventeen days.

For map see COLOMBIA.

VENTURE.—A consignment of goods made at the risk of the sender, to be sold at the place of destination. The word is also used to denote any speculative transaction.

VERDICT.—The decision arrived at by a jury after the witnesses on both sides have been heard and the judge has summed up the case.

VERDIGRIS.—A powdered acetate of copper, largely made in France by exposing thin sheets of copper to the action of crude acetic acid. In colour it is either blue or green. It is used as a pigment by painters and dyers. The name is also given to the greenish rust of brass or bronze.

VERDITER.—A basic carbonate of copper, used as a blue or green pigment for paper staining. Owing to its poisonous nature, its use is very limited. The varieties are often known as Bremen blue and Bremen green.

VENUE.—This is a legal term and signifies the place to which a jury is summoned for the trial of an action.

VERMICELLI.—(See MACARONI.)

VERMILION.—A permanent bright red pigment, obtained by grinding the native cinnabar (*qu*). It is the red sulphide of mercury, and is now generally prepared artificially by heating a mixture of mercury and sulphur in a revolving vessel until the combination is complete, and afterwards grinding the compound. Vermilion is largely used in the arts, the home supply being supplemented by imports from Germany and France. Imitations known as "vermilionettes" are very common, and the genuine article is often adulterated with chalk, red lead, etc. Its chemical symbol is HgS.

VERMOUTH.—A liqueur usually made of bitter white wine flavoured with wormwood, gentian, and other aromatic herbs. The chief manufacturing countries are France and Italy, where vermouth is much used as an appetiser, especially when diluted. The average alcoholic strength is nearly 20 per cent. Geneva and Marseilles supply the small British demand.

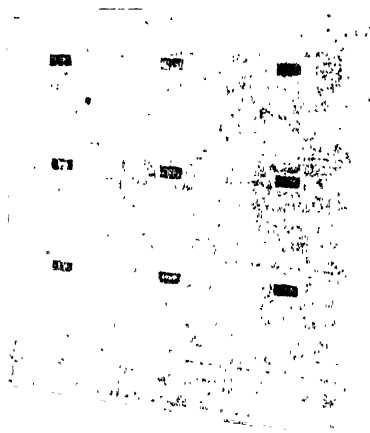
VERSHOK.—(See FOREIGN WEIGHTS AND MEASURES.—RUSSIA.)

VERST.—(See FOREIGN WEIGHTS AND MEASURES.—RUSSIA.)

VERTICAL FILING.—This is the name of the system of filing in which the documents are filed in tough manila folders or binders, these being kept in a vertical position, open side up, in drawers. It is an advance on the method of filing correspondence, etc., in a flat or horizontal position in cabinets of drawers, arranged according to the letters of the alphabet and its subdivisions.

The idea of vertical filing is to keep together all

letters, both to and from a correspondent, in one place. That is to say, all copies of letters to a customer or client, as well as the inward correspondence from that source, are filed together. It



A Vertical Filing Cabinet.

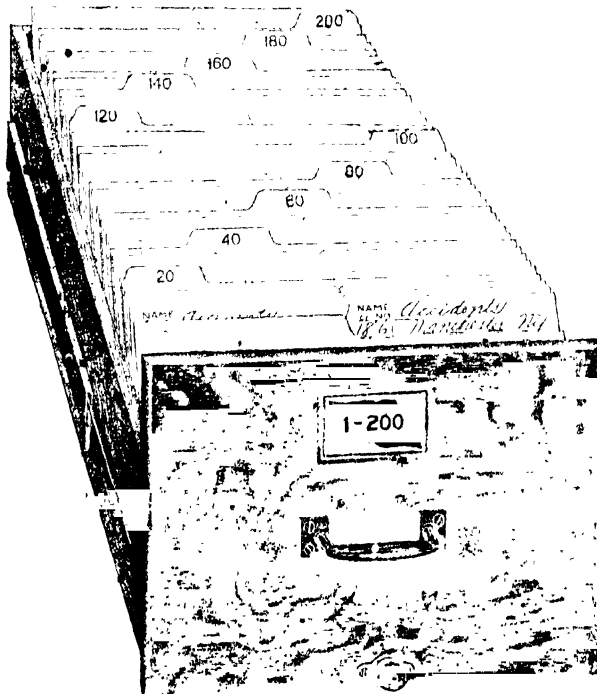
will be seen, then, that the press-copy letter book has no place in this system, for the outward letter is duplicated by the carbon process as the letter is being written or else copied by means of a mechanical copier. This original correspondence and the copies of the replies thereto are filed together in a folder, which is set apart for each correspondent. The folder, which is made of stout paper, closely resembles the backs of an exercise book, with a projecting tab, which may be numbered with the number allotted to the correspondent and lettered with his name. In this manner the whole of a firm's correspondence is dealt with, the underlying principles being: (a) a separate folder for each correspondent, (b) inward letters and copies of replies thereto filed together in their proper sequence. When the necessity of referring to a customer's correspondence arises, it is necessary only to find the folder and the whole of the correspondence is contained therein.

As the name given to this most modern system implies, these folders are placed vertically in their respective drawers of the filing cabinet, their upright position facilitating quick reference, as in the case of a card index. Various methods of indexing these folders may be used,

according to convenience and the suitability of the method to the class of business. The best way is what is known as the numerical index, an alphabetically-arranged card index supplying the key to the numbered folders. They may also be indexed alphabetically or in geographical order, the last-named method being useful where it is desired to file all correspondence in accordance with the respective ground covered by travellers or the different localities in which branch offices or shops are situated.

One of the many advantages of filing by the vertical system is that the cabinets may grow with the business, and as each unit may be had exactly the same height and depth, additional units may be placed side by side, making a complete whole. The capacity of a single unit, correspondence size, and containing three drawers, is about 15,000 letters, a four-drawer unit accommodating 20,000 letters. Some makes of cabinets have removable paneled sides, so that after the first unit has been purchased, the other units need not have sides, and may be bolted to the first. Thus the cabinet grows, as has been said, with the business: it is still one cabinet only, capable of infinite expansion, with the advantage of uniformity.

Let us now consider the various methods of filing letters by the vertical system. As the numerical system is generally considered the best, that will be taken first. Under this method a separate tabbed folder is provided for each correspondent, numbered from 1 (in the fore part of the first drawer) upwards. A key to these numbers must be provided, and this

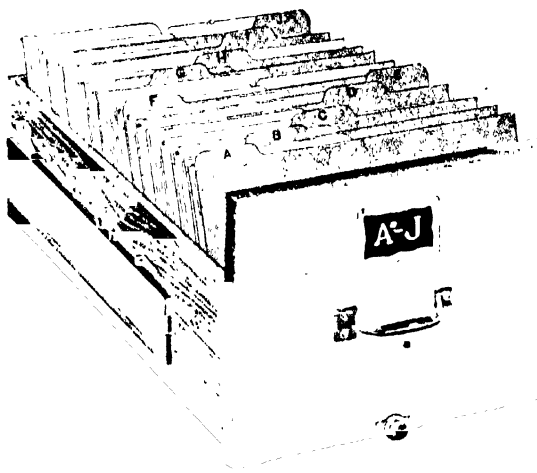


A Vertical File, Numerically arranged.

takes the form of a card index, which is sometimes contained in one or two small drawers in the cabinet or in a separate box placed on the top of the cabinet. The card index takes the alphabetical form, a separate card being used for each correspondent. The information contained on the card generally consists of the correspondent's name, address, telephone number, telegraphic address, and the number of the folder allotted to him. Any other information that may be of use may, of course, be added. In filing the letters, the card index is first consulted to find the numbers of the respective folders, each letter being marked with its proper number. The carbon and other copies of the replies are attached, and the letters may then speedily be filed in their places. It is usual to place the most recent letter at the front in the folder, but this is quite a matter for individual preference

of cards would be headed, say, Manchester, and on them would be written the names and address of customers, with their respective folder numbers, and by this means the whole of the correspondence from customers in Manchester could be removed for reference in the minimum of time.

Proceeding now to the alphabetical method of filing correspondence by the vertical system, it will be seen at once that no card index will be required for this, the names of the correspondents simply being written on the tab of the folder. A set of guide cards, lettered with the subdivisions of the alphabet, is used, so that the location of a correspondent's folder may be readily found. For instance, the folder of a correspondent named Boardman would follow the guide card Bo. This system is useful when a firm's correspondence is not very large and when it is preferred to dispense with



A Vertical File, Alphabetically arranged.

Should a letter require to be filed from a correspondent whose name is not on the card index, a card is written out and the next available number allotted to him. Miscellaneous correspondence, which is not deemed of sufficient importance to warrant indexing and a special folder, is generally filed in a separate drawer alphabetically. Should any of these correspondents become a regular client or customer, it is an easy matter to transfer their letters to the numerical file.

A special advantage of the numerical system of filing is the ease with which cross references may be made. Take, for example, the case of a contract for building a new warehouse. One card would be made out for, say, "new premises," and a folder number allotted to it. On this same card would also be noted the numbers of the folders of the architect, the firms who had tendered, the ground landlord, etc. Thus, by turning up at any time the card indexed under the heading of new premises, the folders of all correspondents whose letters related to that subject could be gathered together instantly. It is often an advantage, for the convenience of circularising or for travellers, to be able to find the whole of a firm's customers in any given town. In this case, a card or a series

of cards would be headed, say, Manchester, and on them would be written the names and address of customers, with their respective folder numbers, and by this means the whole of the correspondence from customers in Manchester could be removed for reference in the minimum of time.

In some businesses it is an advantage to file letters on a geographical (town or country) basis, so that it may be in keeping with the ground allotted to travellers or the radius of the branch offices. In this case the guide card will indicate the territory, and the folders may follow in either alphabetical or numerical order. In the latter case, of course, the card index would be used; but if the geographical division did not include a large area—if, for instance, the file were divided up into towns—the alphabetical arrangement would be sufficient. Whether the system adopted be numerical, alphabetical, or geographical, both the letters received and carbon or rotary copies are filed together, forming the complete record of the correspondence.

A great disadvantage of the old method of filing letters on the flat is that, where there is a

large amount of correspondence, frequent transfers to storage cases are necessary, as the correspondence soon outgrows the capacity of the cabinet. Moreover, the transfers may not be made at stated times—the end of the year, for instance—on account of several of the drawers of the cabinet being full long before others. The transfer of these must, therefore, be made at once, and it may have to be made several times a year, while such letters as O, Q, V, etc., are not more than half filled at the end of the period. Under the vertical system this disadvantage is not met with, for the contents of the few large drawers may be transferred at long or short fixed intervals, readily and without any difficulty, or may be left and removed at any convenient time without interfering with the proper connection that the careful filer should endeavour to maintain between current and transferred letters. Under the numerical system the correspondence number will always be the same, whether current or transferred, all subsequent transfers being added to the preceding transfers in the respective numbers. If the system of filing has been alphabetical, the whole of the contents of the file may be removed at the end of the year or at any other time. For this purpose, transfer cases are made large enough to take the whole contents of one vertical drawer.

The filing of catalogues, often so unsatisfactorily accomplished, presents no difficulty under the vertical system, if worked in conjunction with a card index. The lists and catalogues from various firms should be filed behind a numbered guide card, catalogues being too bulky as a rule to be contained in a folder. If the number of the guide card is noted on each catalogue as it is filed, it will minimise the risk of its being placed in its wrong division after being removed for reference. The name of the firm issuing the catalogue and their wares must be recorded on the card index, and the goods manufactured or sold by the firm entered on separate cards, to facilitate reference to all the makers of any particular article. For example, on filing a catalogue from, say, the Birmingham Brass Co., Ltd., the index card would be made out as follows—

Birmingham Brass Co., Ltd.,	125
Colmore Row, Birmingham.	
Bedsteads	
Door Plates	
„ Handles	
Brass Rods	

A cross reference must now be made under these various manufactures. Thus, in the case of the index card of the last-named goods—

Brass Rods	
Harman & Co.	102
Tubes, Ltd.	118
Wilton Bedstead Co.	120
Birmingham Brass Co., Ltd.	125

Sufficient has been written to illustrate the orderliness, facility of reference, and the extreme adaptability of this system. There seems to be no business to which it may not with advantage be applied. Even the lawyer, whose conservative method of keeping all his papers on each particular subject for action bound together with red tape, has here the very individual file he has been using (in an embryo state) for generations. The architect may keep all papers concerning any building in

the course of construction in a separate folder; the accountant may make use of the system for the purpose of preserving all papers of completed audits for reference at the next audit, and, to return to the business man, a drawer of his cabinet may be utilised for filing all invoices received until the end of the month, when they are ready at hand and in individual and alphabetical order for entry in the journal. (See FILING.)

VESTED REMAINDER.—A remainder which has ceased to be contingent and which must certainly fall at some time or other into the possession of the remainderman. (See REMAINDER.)

VESTING ORDERS.—These are orders of the court, "vesting" in a person named the right to transfer and/or receive the income from shares standing in the name of some other person who is not, at the time of making the order, in a fit position to deal with such shares (e.g., a lunatic).

VETERINARY SURGEONS.—In Latin, *veterina* or *veterina* (plural) were draught cattle or beasts of burden, *veterinarius* was an adjective meaning "belonging to or concerned with beasts of burden", so *medicina veterinaria* meant farriery or veterinary practice. *Veterinarius* was also a substantive, meaning a cattle-doctor, farmer, or veterinary surgeon. The origin of the rather peculiar word "veterinary" in English thus becomes plain. Veterinary science is described by the writers of the article on that subject in the *Encyclopædia Britannica* as dealing with the conformation and structure of the domesticated animals, especially the horse, their physiology and special racial characteristics; their breeding, feeding, and general hygienic management, their pathology, and the preventive and curative medical and surgical treatment of the diseases and injuries to which they are exposed, their amelioration and improvement, their relations to the human family with regard to communicable maladies, and the supply of food and other products derived from them for the use of mankind. Thus the veterinary surgeon was originally one who publicly professed to deal with animals from the point of view of their medical or surgical treatment, guided by all or any of the considerations above set out, according to the state of science at the time. In England, with the growth of science, the profession of the veterinary surgeon has constantly increased in complexity, and its practitioners have required a more advanced professional education. The profession itself has, in consequence, improved in status, and its importance is more fully recognised.

Recognition by the law of practitioners of veterinary medicine and surgery as a profession was not, however, granted until the Veterinary Surgeons' Act, 1881 (44 and 45 Vic. c. 62). For the first time this Act, amongst other things, distinguished between qualified and unqualified practitioners, and enacted that the former might, and the latter might not, recover fees for performing any veterinary operation or giving any veterinary advice. Before the Act no veterinary practitioner could make recognised professional charges. If he had a contract he could sue on the terms of the contract; otherwise he could recover only whatever a jury might think he had fairly earned or deserved—*quantum meruit*, to use the law phrase. This would be based largely on customary charges in different districts. But in an old case it was held that a veterinary practitioner could not sue on an alleged custom to charge for attendance, where not

Such medicine was required. In such instances, proper remuneration could only be secured by contract; whereas now by ordinary professional charges a fair rule is laid down.

The Royal College of Veterinary Surgeons. But before the Act of 1881 there had been a certain distinction between qualified and unqualified practitioners by the incorporation of the Royal College of Veterinary Surgeons in the year 1844. A member of the corporation had a superior professional consideration, but not a different legal position. This institution chiefly examined students, who were taught in various veterinary colleges, and gave diplomas to successful students both in England and in Scotland, there being separate examination Boards in London and Edinburgh respectively. But soon after the incorporation of the College, Professor Dick, a famous Scottish veterinary surgeon, set up a Board in Scotland independent of the English institution; and the Highland and Agricultural Society of Scotland granted funds and certificates of proficiency to Scottish students. Dick died in 1866, and the Highland Society ceased to grant certificates; but there was still in existence a class of practitioners holding these certificates, and they were specially recognised afterwards when the Act of 1881 was passed. Several other charters were granted to the Royal College of Veterinary Surgeons in 1876 and 1879; and the result was that it became the only veterinary degree or diploma-granting body for the United Kingdom and Ireland.

The Veterinary Surgeons' Act, 1881. The Act of 1881 directed a Register to be made and kept of the members of the Royal College, copies of which, published by the Council, were to be admissible in evidence. The College was directed to make provision for examining students in the three kingdoms, and to admit them as members of the College.

By section 16—

"If any person not being a fellow or a member of the College takes or uses any name, title, addition, or description, by means of initials or letters placed after his name, or otherwise, stating or implying that he is a fellow or member, he is liable to a fine not exceeding £20."

By section 17—

"If any person not on the register, or holding at the passing of the Act the veterinary certificate of the Highland Society, takes or uses the title of veterinary surgeon or practitioner, or any name, title, addition, or description, stating that he is a veterinary surgeon or practitioner, or of any branch thereof, or is specially qualified to practise the same, he is liable to a maximum fine of £20."

In a case of *The Royal College of Veterinary Surgeons v. Robinson*, 1892, 1 Q B 557, a blacksmith who had for twenty-five years described his place of business as a "veterinary forge," was brought under this section, the words being held a description stating that he was specially qualified to practise a branch of veterinary surgery.

A chemist published a book dealing with the diseases of horses, recommending medicines which he kept, and advising in some cases people to consult a veterinary surgeon, and he described himself in the book as "pharmaceutical and veterinary chemist." He was prosecuted by the College; but it was decided that all the book meant was that if the public choose to ask for particular medicines the chemist kept them for sale. It did not imply

anything like an unlawful assuming of the title (*Veterinary College v. Groves*, 1893, 57 J.P. 505).

A person who was not qualified exhibited outside his residence a board with the words "Canine Specialist." It was decided that he had used a description stating that he was "specially qualified to practise" veterinary surgery within the meaning of section 17 (*Royal College of Veterinary Surgeons v. Collinson*, 1908, 2 K B 248).

By a sub-section of the same section, no other than the above-mentioned persons are entitled to recover in any court any fee or charge for performing any veterinary operation, or for giving any veterinary advice or attendance, or for acting in any manner as a veterinary surgeon or veterinary practitioner, or for practising in any case veterinary surgery or any branch thereof.

The Register. Where the Registrar has reason to think that any person registered has ceased to practise, he may send to him an inquiry by post; and within three months if he does not receive an answer, he may, within fourteen days after the expiration of the three months, send him by post a registered letter containing another notice referring to the first; and if within a month he does not receive an answer to the second notice, the registered person will be deemed to have ceased to practise, and a person who has ceased to practise may be removed from the register.

By section 6—

"At a meeting of the Council, at which not less than two-thirds of the members are present, and with the consent of three-fourths of the members so present, but not otherwise, the name of any person may be removed from the Register—

"(a) Who is at the passing of the Act on the Register, or

"(b) Who is after the passing of the Act on the Register."

But this power is to be exercised in the following cases only—

"1. At the request or with the consent of the person whose name is to be removed

"2. Where a name has been incorrectly entered or has been fraudulently entered or procured to be entered.

"3. Where a person has either before or after the passing of the Act, and either before or after his registration, been convicted anywhere of an offence which, if committed in England, would be a misdemeanour or higher offence

"4. Where a person registered is shown to have been guilty, either before or after the passing of the Act, and either before or after his registration in England or elsewhere, of any conduct disgraceful to him in a professional respect."

A person so removed cannot be restored except by resolution of the Council, or by a court if the Council proceeds wrongly in law, but as to the facts the Council is the sole judge, apart from an appeal on all such matters of fact concerned with the register, to the Privy Council, which may decide either for or against the Council as to the removal of the name.

Colonial and foreign holders of recognised veterinary diplomas are, on fulfilling certain conditions as to practice, entitled to be registered without examination as such practitioners, and to become to all intents and purposes members of the Royal College.

By the Veterinary Surgeons Amendment Act,

1900 (63 and 64 Vic. c. 24), persons holding and practising under the veterinary certificate of the Highland and Agricultural Society of Scotland were brought under the same disciplinary powers of the Royal College as the members of the College are subject to under the Act of 1881. Previously they were not so answerable. If now they are deprived by the Council of the right of styling themselves members of the veterinary profession, they come under section 17 of the principal Act, should they describe themselves in any manner not permitted by the Act.

VETIVER.—(See KUSKUS)

VEVEY.—A peculiar kind of cigars named after the Swiss town on the Lake of Geneva, where they are made.

VIA.—This word is generally used to signify the route taken to any particular place and names the town or towns through which goods or persons must pass. It is the ablative singular of the Latin word *via*, and means "by way of."

It is also used, exclusively in England, to express one copy of a set of bills (see FOREIGN BILL), as the first, second, or third *via*.

VICE-CONSUL.—A person who acts in place of a consul. He is a person inferior in rank to a consul, and not necessarily one who is subordinate to another.

VICTORIA.—*Position, Area, and Population.* Victoria ("Australia Felix"), the richest and most thickly populated of the Australian States, is situated at the south-eastern extremity of the Australian mainland. It lies between the parallels of 34° and 39° south latitude, and the meridians of 141° and 150° east longitude. On the north and north-east it is bounded by New South Wales, from which it is largely separated by the Murray River; on the west by South Australia; and on the south and south-east by the Southern Ocean, Bass Strait, and the Pacific Ocean. Its extreme length from east to west is about 490 miles, and its greatest breadth 300 miles. In area it is almost equal to the island of Great Britain, since it covers 87,884 square miles. The population is nearly 1,500,000, which gives a density of only seventeen to the square mile. Three-fifths of the people are town-dwellers.

Coast Line. The coast line extends for nearly 600 geographical miles, and consists of three great shallow bights. The first stretches from the South Australian border to Cape Otway, and is broken by Portland and Warrnambool Bays. The second extends from Cape Otway to Wilson's Promontory, and is indented by Port Phillip Bay, Westernport Bay, Anderson's Inlet, and Waratah Bay. The third, bounded by the low sandhills of Ninety Mile Beach, east of Wilson Promontory, and extending to Cape Howe, is broken by Corner Inlet, Lakes Entrance, and Mallacoota Inlet. The only good natural harbour is the land-locked basin of Port Phillip, but fine harbour works have been built, and open roadsteads converted into good harbours, as at Portland and Warrnambool.

Build. Victoria is the most mountainous of the States of the Australian mainland. A tangle of mountains and highlands, filling the eastern part of the State, forms part of the Great Dividing Range, which traverses the colony from east to west, at a distance of 50 to 70 miles from the sea, and, after narrowing gradually westward, terminates near the Glenelg River. The eastern chains of the Australian Alps are the highest, rising to heights of

over 6,000 ft. in Mount Bogong and Feathertop; the Grampians and Pyrenees on the West are lower, descending from 4,000 to 2,000 ft. The North-West is occupied by a large plain, sloping gently from the mountainous tableland towards the Murray, and representing in the main the flood-plain of that river and its tributaries. This region is, for the most part, over-run with mallee scrub, a name given to several dwarf species of eucalyptus when taken collectively. The coastal plain lying to the south of the tableland is divided into two parts by Port Phillip, and contains two groups of highlands on either side of this inlet, but much of the remaining area is as level as any natural surface can be. From Glenelg River to Port Phillip Bay stretch the volcanic plains known as the Western District, forming one of the richest pastoral and agricultural tracts of the colony. The southern slopes of the Alps form the Gippsland District of the coastal plain, the southern portion of which is occupied by rocks of sedimentary origin. Victoria is well watered, but only the Yarra, Goulburn, and Murray Rivers are of much commercial importance. From the central watershed the rivers flow northwards and southwards, and hence they may be classified as continental and coastal rivers. The Murray River, rising in the Australian Alps, by which it is well fed, has a total length of 1,200 miles in Victoria, and is navigable as far as Albany, 1,700 miles from its mouth, for steamers of shallow draught during the greater part of the year. Flowing northward to the Murray are the Mitta Mitta, the Keewa, the Ovens, the Broken River, the Goulburn, the Campaspe, and the Loddon. These continental rivers are slow, but, unfortunately, frequently too shallow for navigation. The Snowy, Tambo, Mitchell, Yarra, Barwon, Hopkins, and Glenelg flow southwards to the ocean, they are all short, the longest—the Glenelg—being only about 200 miles long, and the navigable Yarra but 150 miles. In the North-West there are many so-called lakes, the Avoca and Wimmera Rivers diminish as they proceed northwards, and spread out in the flat country into lakes, which usually have no outflow. The lakes of the Murray Plains are due to the damming back of streams by the raised flood plain of the Murray. On the volcanic plains of the Western District there are about 150 lakes, of which the largest—Lake Corangamite, north of Cape Otway—covers 72 square miles. The Gippsland Lakes are the result of the struggle between the eastern rivers endeavouring to reach the sea, and the tides, which sweep great quantities of sand and drift along the coast.

Climate. Victoria possesses, generally speaking, a temperate climate, somewhat warmer and wetter than that of Great Britain, having a mean summer temperature of 65° F., a mean winter temperature of 49° F., a yearly mean temperature of 57° F., and a rainfall of approximately 26 in. Four climatic regions may, however, be distinguished—

(1) The North-Western region of plains has the driest and warmest climate in the State, with the lowest rainfall and the greatest range of temperatures. The annual average rainfall is about 14 in.; the lowest yearly average (10.5 in.) occurs at Tyrrell West, and the highest (36.5 in.) at Moonambel, in the Avoca watershed. Only one-eighth of the total rains of the year falls in the summer months. Thus, this region possesses the typical "Mediterranean" climate.

(2) The North-Eastern region, consisting of

plains, upper lands, and mountainous tracts, has a variety of climates. The rainfall is generally greater than in the North-Western division, and increases uniformly to the eastward from the 145th meridian, and southward from the Murray River. The annual average for the plains is from 17 to 27 in., the driest part being the Echuca district and the wettest the Chiltern district. The upper lands have averages of 30 to 40 in., and the higher ranges 60 in. Summer rains make 19 per cent of the total, and winter rains 31 per cent.

(3) The South-Eastern region with its varied physical features exhibits a variety of climates, but all show those characteristics, which are due to oceanic influence. The more prominent of these are a greater relative humidity, a greater rainfall, and a smaller range of temperatures than the first two regions.

(4) The South-Western region, open to a great extent to the influence of the ocean and the interior of the continent, exhibits a maritime climate on the coast, but further inland it becomes drier and has a greater range of temperatures. The rainfall varies in different parts from 20 to 50 in.

Productions and Industries. *The Pastoral Industry* provides employment for a large percentage of the population. The chief animals fed are sheep, cattle, horses, and pigs. Sheep are reared in all parts, but most of the noted wool clips are produced in the Western District. Special stud flocks are maintained on all the large estates devoted exclusively to wool-growing, and much attention is paid to the marketing of the wool. Cattle are reared for their beef and milk. The rich coastal pastures are devoted largely to cattle, especially in Gippsland. Dairying is most important, and has proved the salvation of Victorian farming. Excellent butter is produced on the co-operative factory system, and the industry is encouraged by the Government. About 500,000 horses are reared in the colony and they provide mounts for the Indian Army. Rabbits are exported in fairly large quantities.

Agriculture and Food Products. Wheat, oats, and barley are the staple crops. In the first stages of farming the cultivation of grain was confined to the regions of sufficient rainfall, but gradually grain-growing was pushed northward into the regions of light rainfall, and now almost 90 per cent. of the wheat crop is raised in the Wimmera, Mallee, and northern districts. Huge rollers break down the mallee scrub, which is then burnt off, and the rough ground is cultivated by using a stump-jumping plough and harrow. Fallowing to preserve moisture is freely practised, but in very dry seasons the farmers sustain serious loss. The yield of the cereals in these regions is naturally very low. Irrigation, profitable to the fruit grower, but more rarely to the farmer, receives much attention in Victoria. The water supply for irrigating the northern area comes chiefly from the Murray, Keewa, Owens, Goulburn, Campaspe, and Loddon Rivers. In the irrigated colony of Mildura, on the Murray, and in the Goulburn and other valleys excellent "Mediterranean" fruits are grown, dried, and exported; the chief difficulty at present is the lack of easy means of communication. All English fruits are raised on the uplands. Potatoes reach a high standard of perfection in the Warrnamboul black volcanic soil; and tobacco and maize are grown in small quantities in the sheltered valleys. Beet cultivation is almost certain to increase greatly in the future, when better methods are adopted. Mixed farming has proved

very successful in many parts. The Burgundy and Champagne districts of France are colder than any part of Victoria, and hence vine culture is increasing in Victoria, and its wines are attaining a high reputation.

Forestry. Victoria is a well-wooded region. About 12,000,000 acres, or more than one-fifth of the area of the State, is forested. Nearly all Victorian timbers are hard woods of commercial value for piles, railway sleepers, street paving, and posts. Eucalyptus is the characteristic variety. In the mountain regions there are magnificent forests of timber, many yet untouched, because transport facilities are not yet provided. Blackwood, sassafras, beech, and dogwood are beautifully figured, and are admirable for cabinet work and veneers. The hardwoods have great durability; railway sleepers of red gum, ironbark, grey and yellow box have been lifted after twenty-five years' service, and found to be perfectly sound. Wattle bark is used extensively for tanning purposes, and eucalyptus oil is extracted from the leaves of the numerous varieties of eucalyptus.

The Mining Industry. An important element in the development and prosperity of Victoria was the discovery of gold in 1851, and Victoria still ranks high as a gold producer, though now exceeded by West Australia. Both quartz and alluvial mining are carried on, and there is dredging for gold in the Owens Valley. Very expensive machinery has now to be employed, as the workings are sometimes at a depth of 4,000 ft and over. The chief centres are Ballarat, Bendigo, Castlemaine, Rutherglen, St. Arnaud, Stawell, Cassilis, Walhalla, Allendale, and Chiltern. Other minerals occur in payable quantities, but are little worked. Among these are silver, copper, lead, tin, iron, and antimony. Coal occurs over wide areas in the Merino, Cape Otway, and South Gippsland districts. Coal-mining has, since 1870, been practically confined to South Gippsland.

The Fishing Industry. The fishing industry has not yet been successfully developed. Melbourne is the principal fish market. In the bays and inlets along the coast line, in the Gippsland Lakes, which have an outlet to the sea, and in Bass Strait, there is a great variety of marine fishes of economic value. The best known of these are pilchards, mullet, whiting, schnapper, flounders, bream, and pike. The rivers also abound in food fishes, the Murray cod being of first-class quality. The principal supplies of fish come from the Gippsland Lakes, Port Albert, and Western Port.

The Manufacturing Industries. Victoria is pre-eminently the manufacturing State of Australia. In comparison with the manufacturing industries of older countries, those of Victoria are in a rudimentary state, but are fast developing owing to the excellent markets now thrown open in the other Australian colonies. The chief manufactures are in connection with food, drinks, and narcotics; clothing, textiles, and leather, metal works and machinery, raw materials of the pastoral pursuits; printing and publishing, and wood. Melbourne is the chief manufacturing town in Australia; and in all the settled parts of Victoria there are local manufactures utilising the raw products of the neighbourhood. Geelong is noted for its woollen manufactures, and Ballarat and Bendigo are important centres.

Communications. Victoria, like other Australian States, suffers from the lack of good navigable rivers; even the Murray, owing to floods in the rainy season, shallowness in the dry season, and bars at its mouth, is of no very great commercial

importance. Roads are developing, and great progress has been made with the railways. Melbourne is the centre from which the railways radiate: Westward through Geelong to Warrnambool, and north-westward through Ballarat, Ararat (branch to Hamilton, junction for Warrnambool and Portland), and Stawell to Serviceton and on to Adelaide (South Australia); south-eastward to Port Albert, and eastward through Sale to Bairnsdale; northward through Castlemaine and Bendigo to Echuca, Swan Hill, Euston, and Mildura; and north-eastward through Benalla, and Beechworth to Albany, and on to Sydney (New South Wales).

Commerce. The chief exports are gold, wool, live-stock, cereals, butter, hides, skins, fruit, and meat, frozen or preserved. The principal imports are gold (from the other states for minting), textiles, clothing, machinery and other iron goods, sugar, tea, and coal. The import and export trade is mainly carried on with Great Britain and British possessions.

Trade Centres. The trade centres are the centres of the various industries and the ports. The largest towns are Melbourne (708,000), Ballarat (42,000), Bendigo (39,000), Geelong (35,000), Castlemaine (7,000), Warrnambool (7,000), and Maryborough (6,000).

Melbourne, the capital and chief seaport of Victoria, is situated on the Yarra, a short distance above its mouth in Port Phillip Bay. Both the Yarra and the Saltwater Rivers flow through the town to Port Phillip, on which stand Port Melbourne and Williamstown, the ports of the city. Steamers of 8,000 tons can now pass from the port to wharves in the heart of the city through the new ship canal, and the dry dock at Williamstown can accommodate the largest vessels. Melbourne is the chief manufacturing centre in Australia, and one of the greatest railway centres. Its numerous manufactures include textiles, leather, and iron. As a port it carries on the main export and import trade of the colony.

Ballarat is a trim, clean city, and the centre of an agricultural and gold-mining region. It stands on the south side of the Dividing Range, 75 miles north-west of Melbourne. Formerly gold was obtained here by alluvial mining, now quartz mining operations have to be carried on. There are iron foundries, woollen mills, breweries, and agricultural implement works in the town.

Bendigo (formerly Sandhurst) lies 100 miles north of Melbourne, and is the centre of quartz-mining. Around it are 22 square miles of gold-bearing quartz rock, which contain 700 distinct quartz reefs. There are thriving industries of viticulture, fruit-growing, and pottery in the neighbourhood.

Geelong, on Corio Bay, 45 miles from Melbourne, is the seaport next in importance to Melbourne, and one of the oldest towns in Victoria. Wool, grain, and compressed fodder are among its exports, and the local industries include woollen mills (tweeds and blankets), salt, rope, and cement works, and the most extensive saw-milling plants in Australia.

Castlemaine, lying south of Bendigo, is a gold-mining centre.

Warrnambool, the port of the western district of Victoria, is built of yellow sandstone. It possesses a fine jetty and breakwater. Its exports are dairy produce and potatoes.

Maryborough, lying north-east of Melbourne, in the North Central Division, is a thriving town in the midst of a pastoral, mining, and agricultural district.

Of other towns, *Eagle Hawk*, 4 miles from Bendigo, has rich quartz mines; and *Echuca* is the principal town on the Murray, a railway junction, a great wool store, and the *entrepôt* for inter-colonial trade. *Mooroopna* and *Rutherglen* specialise in wine production and raisin-growing; *Beechworth* and *Stawell* are mining centres; *Portland* and *Belfast*, west of Phillip Bay, export farming produce; *Benalla* is a dairy centre; *Wangaratta* possesses flour mills and tobacco works; *Sale*, the chief town of Gippsland, is a dairy centre; *Maffra* has a great cattle market; and *Ararat* is the centre of a pastoral, agricultural, and vine-growing district.

Melbourne is 11,267 miles distant from London, and the time of transit is about thirty-one days.

For map, see AUSTRALIA.

VICTUALLER.—A person who supplies provisions.

VICTUALLING BILL.—A document given to the customs by the captain of a ship, containing a list of bonded or drawback goods taken on board for use as stores during a voyage.

VICTUALLING YARD.—A public establishment to collect and supply provisions for the Navy.

VIDELICET.—A word compounded of two Latin words, *videre* and *licet*, "you may see." It is used in English in the sense of "namely," "to wit," and is generally contracted into "viz" (Compare *SCILICET*).

VIERTEL.—(See FOREIGN WEIGHTS AND MEASURES.—DENMARK.)

VINEGAR.—A weak solution of acetic acid, much used for culinary purposes. The variety most popular in Great Britain is made from malt, and is brown in colour; while continental table vinegar is yellow or reddish, and is made from inferior sour wines. It is imported into Great Britain from Bordeaux. Wood vinegar, obtained from the distillation of wood, is employed mainly in chemical operations, but is sometimes used as a substitute for the genuine article, especially by pickle manufacturers. The aromatic variety used for smelling-bottles consists of a mixture of acetic acid, camphor, oil of cloves, lavender, and other perfumes.

VINGERHOED.—(See FOREIGN WEIGHTS AND MEASURES.—HOLLAND.)

VINTNER.—A dealer in wines.

VISÉ.—This is a French word of two syllables, meaning "seen." When a passport is granted to a person who is about to travel abroad, it is necessary that he should, as a preliminary, have the document officially indorsed in London. In most countries if a passport is called for, it is examined and indorsed by the official who has the right to call for it. To visé a passport, therefore, is to examine and to indorse it.

VITRIOL, OIL OF.—The commercial name for sulphuric acid (*qv*).

VIVÂ VOCE.—A Latin expression signifying "by the living voice." The term is applied to oral as opposed to written testimony.

VIZ.—(See *VIDELICET*.)

VOID.—A transaction is void if it is destitute of all legal effect, *e.g.*, an agreement to commit a crime, or to do anything which is actually forbidden by statute.

VOIDABLE.—A transaction is voidable when it is capable of being affirmed or repudiated by one or others of the parties according to his wishes. Thus, if a contract has been induced by misrepresentation or fraud, it is always voidable, but it

holds good until the person aggrieved sets the law in motion to avoid it.

VOLENTI NON FIT INJURIA.—This is a legal maxim which signifies that a legal wrong is not done to a person who has voluntarily and knowingly accepted the whole of the risks of the situation. Its application is almost exclusively confined to cases of negligence, and more especially to matters in dispute between employers and workmen when an injury has been sustained by one of the latter. It can be set up when an action is brought either at common law or under the Employers' Liability Act, 1880. But in order to prevail it must be shown that the injured workman fully understood and appreciated the danger of his employment, and that he accepted the same after being made fully acquainted with it. Mere knowledge of the danger is not sufficient—there must have been a voluntary acceptance after such knowledge.

The maxim does not apply in cases under the Workmen's Compensation Act, 1906. Practically the only defence to that Act which can ever be set up when an accident has happened and injury been sustained (provided, of course, that the injured person is within the Act) is serious and wilful misconduct. And even this defence fails if the injured person dies or is rendered permanently incapable of work.

VOLUNTARY LIQUIDATION.—(See WINDING UP.)

VOLUNTARY SETTLEMENTS.—It is obvious that if a man who is in difficulties could quietly assign all his assets to a friend, his lawful creditors might be defrauded of their remedies. What are known as "voluntary settlements" are, therefore, scrutinised with some care by the courts. They may be conveniently dealt with under two heads, namely, (a) Settlements voidable at common law; and (b) settlements voidable under the law of bankruptcy.

(a) **Voluntary Settlements Voidable at Common Law.** By an Act passed in the reign of Elizabeth, which declared what was the common law of England, every assignment of lands and tenements, every bond, suit, judgment, and execution, "contrived of malice, fraud, collusion, or guile, to the end, purpose, and with intent to delay, hinder, or defraud creditors and others of their just and lawful actions, suits, debts, etc., shall be against that person, his heirs, executors, administrators, and assigns, whose actions, etc., are or might be disturbed, etc., by fraudulent proceedings, utterly void."

It is obvious that assignments for value are excluded from this section, because in that case the debtor's estate is not necessarily impoverished. For instance, the assignment of a reversion of £18,000 in consideration of an advance of £2,500 and £300 a year until bankruptcy was held to be good. Assignments coming within this section are void for all purposes, whether in connection with bankruptcy or not.

The effect of the enactment has been considered in many cases, from which the following principles may be deduced: The assignment of the whole of a man's property for the benefit of one creditor, or several, to the exclusion of others, is fraudulent, the necessary consequence of such a transaction being to defraud the excluded creditors. The creditors affected need not have been in existence at the time when the assignment was made, the principle being that a man who is going into trade cannot take the bulk of his property out of the reach of those who may become his creditors. A

settlement *bond fide* made by a man whose existing debts are all paid, the settlor retaining a reasonable income for himself, will not be set aside merely because subsequent creditors are prejudiced. A deed of arrangement (see DEED OF ARRANGEMENT) will not necessarily be void merely because it reserves a benefit to the debtor, or because a particular creditor is intentionally excluded from it.

(b) **Voluntary Settlements made void by the Bankruptcy Acts.** Certain settlements which might not be successfully attacked under the statute of Elizabeth may be impeached under the Bankruptcy Act, 1914, which provides that any settlement not being a settlement (which term includes any conveyance or transfer of property) made before and in consideration of marriage, or made, in favour of a purchaser or incumbrancer in good faith and for valuable consideration, or a settlement made on or for the wife or children of the settlor, of property which had accrued to the settlor after marriage in right of his wife, shall, if the settlor becomes bankrupt within two years after the date of the settlement, be void against the trustee in the bankruptcy, and shall, if the settlor becomes bankrupt at any subsequent time within ten years after the date of the settlement, be void against the trustee in the bankruptcy, unless the parties claiming under the settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement, and that the interest of the settlor in such property had passed to the trustee of such settlement on the execution thereof.

Any covenant or contract made in consideration of marriage for the future settlement on or for the settlor's wife or children of any money or property wherein he had not at the date of his marriage any estate or interest, whether vested or contingent, in possession or remainder, and not being money or property of or in the right of his wife, shall, on his becoming bankrupt before the property or money has been actually transferred or paid pursuant to the contract or covenant, be void against the trustee in the bankruptcy. (See SETTLEMENT.)

It follows from this that, in order to set aside a settlement made within two years before the bankruptcy, it must be shown to have been made in bad faith and without consideration. A settlement made within ten years will be set aside unless the parties claiming under it can prove that the settlor could pay his debts without the aid of the property comprised in it, and that the interest of the settlor passed to the trustee under the settlement.

The word "settlement" as used in the above provision includes a gift of bills, bonds, or securities, or a transfer of shares. It would also include a gift of money if the donor intended that the money should be invested and only the income used. An allowance made by a man to his son would not be a settlement. Further, the settled property must pass from the settlor to his trustee. The phrase "purchaser or incumbrancer in good faith" is a term of art which means a person who gives such valuable consideration as justifies his being described as a purchaser or buyer. The question as to whether there is really a valuable consideration is for the court to decide upon the facts of each case. A man sometimes assigns property in consideration of "natural love and affection"; but this cannot be relied upon in order to support the settlement as against his creditors.

The transaction only becomes void at the time when the title of the trustee in bankruptcy accrues. Thus the person who obtains a benefit under a settlement made *bond fide* and without notice of any fraud or bankruptcy has a good title against the trustee. Again, although a settlement may be void, it is only void to the extent which may be necessary to satisfy the creditors in the bankruptcy. The surplus goes to the beneficiary under the settlement.

With regard to the solvency of the settlor, which may, as we have seen, be called in question, it will be necessary for him to show that he was solvent in the sense that he was able to pay his debts in the same way as if he had continued in business. It follows that when considering whether a man was insolvent at the sale of a settlement, one would have to consider his property apart from the value of his stock-in-trade with which he carried on his business. If the value of the stock is taken into account at all, it should only be its breaking-up value.

VOTING AT COMPANY MEETINGS.—There are two methods of voting at general meetings of companies, namely (1) by show of hands, (2) by means of a poll. Unless the regulations governing the company provide otherwise, voting on any question before the meeting must, in the first instance, be by "show of hands", and every member present and entitled to vote will have but one vote, without regard to the number of shares he holds. If the matter for decision be relatively unimportant or one with regard to which the opinion of the meeting is practically unanimous, the result of the "show of hands" will probably pass unchallenged, should some of those present at the meeting be dissatisfied, however, they may demand a poll, unless the right to do so is specially excluded by the articles of the company. The right may not be excluded if the resolution is an extraordinary or a special resolution. On such resolution the right is absolute, being conferred by Sec. 69 of the Companies (Consolidation) Act, 1908. Exclusion is rarely to be found in the regulations governing a company, although it is customary to qualify the right to demand a poll, by providing that it may only be exercised by not less than a specified number of the members present, *e.g.*, Clause 56 of Table A provides that a demand for a poll to be effective must be made by at least three members. If a poll is duly demanded, the result of the voting by "show of hands" is thereby nullified. (See also under POLL.) In order to ascertain the number of votes to which each member is entitled, recourse must be had to the articles which usually allow one vote for every share held, although some companies have a sliding scale, *e.g.*, one vote for each share held up to ten, and an additional vote for every five shares over ten, and so on.

•Section 67 of the Companies (Consolidation) Act, 1908, provides that in default of, and subject to, any regulations in the articles, every member shall have one vote. The holders of all classes of shares, whether ordinary, preferred, deferred, or founders' shares, have equal voting rights at general meetings of the company, unless restrictions are specifically made either by the memorandum or by the articles of association.

Where shares are held jointly by two or more persons, only one of them can vote in respect of the shares registered in the joint names; and the

right is usually conferred by the articles on the holder whose name appears first on the register of members. On this point, Table A (Clause 61) provides as follows—

"In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members."

A person of unsound mind is usually allowed to vote by means of his committee or other legal representative appointed by the court.

With regard to shares belonging to the estate of a deceased shareholder, Table A (Clause 23) provides that any person becoming entitled to a share by reason of the death of the holder, shall not be entitled in respect of such share to exercise any rights conferred by membership in relation to meetings of the company, before being registered himself as a member in respect of that share. The articles of many companies, however, allow the legal representative of a deceased shareholder to attend meetings and exercise voting powers in respect of the shares registered in the deceased's name, provided that probate of his will or a grant of administration to his estate has been registered with the company.

Where the company has issued bearer warrants, the holders thereof are not entitled to take part in general meetings, unless special provision is made by the articles, allowing them to do so. The conditions governing the issue of bearer warrants are frequently left, by the articles, in the hands of the directors to make and vary as they think fit. Under such circumstances, printed copies of the conditions are usually supplied on application to the company, and will be found as a rule to give to the share warrant holders the right to attend and vote at general meetings of the company. In most cases, there is a stipulation that the share warrants shall remain deposited with the company a certain time before, and down to, the date of the meeting. Clause 38 of Table A deals with this matter, and is as follows—

"The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share warrant. The company shall, on two days' written notice, return the deposited share warrant to the depositor."

The case of an equality of vote does not often arise at general meetings; but this eventuality is usually provided for, in respect of both general and Board meetings of companies, by giving to the chairman of the meeting power to exercise a second or casting vote. If the articles do not give the chairman such authority, he has no casting vote, for such is not recognised by the Common Law. Clause 58 (Table A) provides as follows—

' In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote "

Shareholders who have not paid all calls, or other sums due on their shares, are usually disqualified from voting as in Clause 63 (Table A) (See TABLE A.)

VOUCHER.—The name applied to any document in writing which evidences the payment or the receipt of money, or any other pecuniary transaction.

VOWEL INDEX.—This is a variant of the ordinary book form of index, and is designed to save time in finding a name where a large number of entries occur under each initial letter of the alphabet. The section set apart for each initial is

split up into six sub-divisions for the vowels A, E, I, O, U, Y. The name to be indexed is allocated, first, to the section of the index bearing the initial of the name; then to that sub-division of this section which takes the particular vowel that first follows the initial. When the names *begin with* vowels, therefore, it is the second vowel which denotes the subdivision. Examples—

Astouwer,	under A,	subdivision	Q.
Blount	" B	"	O.
Yeo	" Y	"	E.

(See INDEXING)

VOYAGE POLICY.—A policy of marine insurance which insures a ship or a cargo for a certain specified voyage (See MARINE INSURANCE, TIME POLICY, VALUED POLICY)

VULCANITE.—(See EBONITE and CAOUTCHOUC)

W]

W.—This letter is used in the following abbreviations—

W B, Way Bill.
W.F., Wrong fount (of type)
W.W., Warehouse Warrant
W b., Water ballast (shipping).
Wt., Weight.
Wt., Warrant

WADSET.—An obsolete Scotch term for a bond or form of security over land. Although no longer in use, the word is retained in the Stamp Act, 1891, under bond

WAGER.—(See GAMING AND WAGERING)

WAGES.—In the economic sense wages have been viewed by different writers from varying points. Adam Smith speaks of them as the reward for laying down so much ease and happiness. This reward is measured in terms of money and the amount received by the worker in cash is in economic science spoken of as "nominal" wages. Nominal wages are the wages that are of importance to the business man, as the money paid out by him is usually the matter of most importance when his costs of production are examined. If, however, we go behind the actual coin and examine the various necessities and conveniences of life which can be obtained by the worker in return for his nominal wage we come to a further economic idea, namely, the "real" wage. It is the real wage that must influence the rise and fall of the nominal wage, and so the business man is interested indirectly in wages from both points of view.

Usually the employer does not enter into economic discussion, but the experiences of the last few years have forced upon him more and more the economic aspect. In this article we shall, however, deal with the question from the practical standpoint with the reminder that the economic position will always arise and must be faced.

Wages from the practical point of view or the "objective standpoint" are payments for work done or services rendered. The term is sufficiently wide to include all payments for services performed but it is generally applied to the reward of labour engaged in production and to the lower grades of non-productive labour. The higher grades of non-productive labour are similarly rewarded but the term *salary* is usually adopted. There is no sharp dividing line and often the matter is one of sentiment. An inexact division between wages and salary is found in the time basis of calculation, thus wages are almost invariably calculated by the hour, the day or at most the week, whilst salary is calculated by the year but payable weekly, monthly or quarterly. From a business point of view all payments for labour appearing in a production or manufacturing account are wages, whilst in the profit and loss account the payments for management, direction and the like are denominated salaries, the lower grades again being called wages.

The payment of wages may be based on time or on the job, that is, they may be time wages or piece-rate wages, the basis selected depending on

W

[WAG

custom in the trade, agreement between employer and employed, and the attitude of organised labour in the trade.

Piece Rates. The payment of wages by time simply has the effect of limiting the employer to the extent that the bad workman, the mediocre, and the good are all reduced to the same level, since there are unwritten rules in many trades that all must work at the same speed. Even where such rules are ineffective, time payment means that A, who does the minimum of work in keeping with retention of his job, will receive at the end of the week the same pay as B, who has done the maximum amount of work in time. Piece-rate payment has the effect of remedying this to a certain degree. Each worker receives a fixed amount, agreed by the employer and the employees, for a given task. Thus in theory A, the slow worker may take 6 hours, whilst B, the quick and accurate worker, may complete the work in 4 hours, thus being able to earn $1\frac{1}{2}$ times A's earnings for the same time. The rate of payment is generally based on past experience or a test job is undertaken and rates based on average time. If in the past output has been restricted, and, under piece rates, work is speeded up, the amount fixed is found to be too high, the tendency is to cut the amount down. This has the effect of breeding suspicion, and difficulties may arise. In any event the employee obtains a larger share of the gain than does the employer if the saving in time on the introduction of piece rates is excessive. The introduction of new methods and appliances in manufacture will also lead to a readjustment of rates. To overcome some of these difficulties premium rates have been introduced in some factories, the chief of these being the Rowan system, the Weir system, and the Halsey system.

The Rowan System. This system, introduced by a Glasgow manufacturer and bearing his name, is based upon an addition to the standard time wage for a given job. The amount added is the fraction of the standard time wage as is represented by the time saved as numerator and the standard time as denominator; thus, if a job which takes 6 hours' standard time is done by a worker in 4 hours, he will receive for the job standard rate + $\frac{2}{3}$ standard wage. It will be seen that the absolute limit is reached by an addition of $\frac{2}{3}$ standard rate and that no worker could possibly get more than double rate, whereas the theoretical limit in piece rates is infinity.

An illustration will serve to compare the two methods. In an extreme case a job which takes 10 hours is done in 1 hour; the time saved is 9 hours. At ordinary piece rates ten such jobs would be done in the time of one and so the rate would be ten times standard, but by the Rowan method rate would be: standard rate + $\frac{9}{10}$ standard rate, i.e., $1\frac{9}{10}$ standard.

If the rate for the job was 20s, then the worker under piece rates would be paid at the rate of £10 for the job, but under the Rowan system £1 18s. only.

The Weir and Halsey Systems. In the Weir system, the workman is entitled to payment for 50 per cent of the time saved, whilst in the Halsey system, the bonus is 30 per cent of the time saved. Working to formula the Rowan system gives—

$$\frac{Wt}{T} (1 + \frac{T-t}{T})$$

the Weir system gives—

$$W (t + \frac{1}{2} (T-t))$$

the Halsey system gives—

$$W (t + \frac{1}{10} (T-t))$$

when (W) is an hourly rate paid on a particular job, (T) is the time allowed for the job, (t) is time taken by a particular man on that job

The tables given below will show the comparison between each of these methods of payment

The tables give the percentage increase of wages for a given percentage of time saved on a job. The various formulae for calculating wages under the four systems are set out at the head of the columns, and for purposes of calculation, a standard wage (W) of 1s per hour and a standard time (T) of 100 hours for the given job are taken as the basis upon which to work. Then if the time (t) actually taken in doing the job which normally occupies 100 hours be 80 hours, the saving per cent is 20 hours, and working by the Rowan system, for example, we find that the wage paid for this is 96s. Thus, then, is the wage for the job which has occupied 80 hours, so that the payment per 100 hours is 120s, an increase in wages per 100 hours, and, consequently, per 100s of 20s, that is, 20 per cent.

The tables are prepared on this basis, and from the results wage curves can be obtained.

It should be noted that where a new method of payment of wages is adopted, it is necessary to take the men into the firm's confidence, and to explain thoroughly the system proposed before putting it into operation. Many firms issue a description of the method of payment, and of its effect in pamphlet form, emphasising most strongly that time wages will remain unaltered, and that the premiums are extra payment for extra services.

Method of Payment. Different industries have different methods of paying wages. In some industries and in the lower grades of labour a weekly wage is paid, but based on an hourly rate, and the wage books and records to be kept will depend in the main upon custom and the nature of the business. For example, the same type of book with the same rulings would not be suitable for a business in which

time is deducted for late arrival at work, or temporary absence from work, as would be suitable in a business in which a weekly wage is independent of absence or late arrival. Thus, some establishments pay the full week's money even though the employees may have been absent for half or a whole day, whereas in a factory employing a considerable number of hands, this policy would be futile. Certain general rules can be laid down, applying particularly to factory wages.

The records from which pay lists are compiled are usually founded on subsidiary books or time sheets kept by the workers themselves, and checked by the foreman or overlooker, or kept by the foreman. Summaries of these sheets are brought together on final pay sheets, or books, or on intermediary sheets. From these final sheets or books, the wages of the worker are actually paid. The aim should be to abolish intermediary records as far as possible, and to carry the original records straight to the final pay sheets. A multiplicity of books in the preparation of wages accounts may lead to fraud or error.

Where time kept is by clock and key, or by check and box, the records should be entered straight to the final wages book. Where subsidiary books are necessary, they should be regularly examined, with a view to ascertaining that work and time have been properly recorded, that calculations are correct, and that the results have been correctly copied into the final wages book of the factory or department. The number of final books in use will usually correspond with the number of departments where separate accounts are kept, and a general wages book would be used for recording the earnings of employees, the cost of whose labour would ultimately be distributed amongst various departments, or will rank as indirect expenses of selling and administration.

Where time sheets and subsidiary books are kept, the ruling of the final books will not be complicated, as the weekly total only will appear in the amount column, daily details not being recorded. A good ruling for such a book would be, first column—Number of Worker; second column—Name; third column—Particulars of Rates, fourth column—Amount, headed £ s. d., with appropriate deductions column for Insurance, etc. In order to save weekly writing of names, all but columns 1 and 2 might be repeated five times across the open page of the book, thus showing one month's wages [four or five weeks as the case may be] at a glance.

SYSTEM	PIECE-WORK				ROWAN				WEIR				HALSEY			
Formula	$Wt + W_p(T-t)$				$Wt (1 + \frac{T-t}{T})$				$W (t + \frac{1}{2} (T-t))$				$W (t + \frac{1}{10} (T-t))$			
	t	Saving %	Wage for job	Wage for 100 hours	Increase %	Wage for job	Wage for 100 hours	Increase %	Wage for job	Wage for 100 hours	Increase %	Wage for job	Wage for 100 hours	Increase %	Wage for job	Wage for 100 hours
W 1s	80	20	100	125	25	96	120	20	90	112 5	12 5	86	107 5	7 5		
T 100	60	40	100	166 6	66 6	84	140	40	80	133 3	33 3	72	120	20		
	50	50	100	200	100	75	150	50	75	150	50	65	130	30		
	40	60	100	250	150	64	160	60	70	175	75	58	145	45		
	20	80	100	500	400	36	180	80	60	300	200	44	220	120		
	10	90	100	1,000	900	19	190	90	55	550	450	37	370	270		

The amount of the wages book is totalled, calculations are usually checked by one clerk, a third person entering the names and particulars in the final wages book, and a cheque will be drawn for the exact amount to be paid out. The person who actually pays the wages should have nothing to do with the preparation of the wages list, but should be a responsible person, or the payment should be occasionally supervised by a responsible person. If a workman is absent, the amount appearing to be due to him should be paid to his representative upon special application only, on the production of satisfactory reasons for absence.

WAGES FUND.—This is the name given to a fund which is supposed theoretically to exist, and out of which wages are paid. It is supposed that industry cannot afford to pay wages beyond the amount of this nebulous fund, as it is made up of two principal items: (a) a portion of the produce of past labour; (b) credit based on the anticipation of the profits to arise out of future labour. The term is a convenient one to be used in the discussion of economic questions, but the thing itself is too shadowy and unstable to admit of employment in accurate calculations, or to afford any safe ground for inferences.

WAIVER.—The renunciation of any claim or right to or over a thing, or as to the performance of the terms of a contract. If it is the question of a contract, even though one that must be evidenced by writing, it is competent to the parties, at any time before the breach of it, by a new contract not in writing, either altogether to waive, dissolve, or annul the former agreement. If the contract is one under seal, a deed is required to discharge the same.

WAIVER CLAUSE.—(See PROSPECTUS.)

WALL STREET.—This is the name by which the New York Stock Exchange is known. It differs in many respects from the London Stock Exchange. For example, all transactions between brokers are settled daily and on the basis of full payment on delivery; stocks bought to-day must be paid for to-morrow, except only in the case of Friday transactions, in which the settlement goes over until the following Monday. Another important difference is that there is no distinction between jobber and broker.

Dealings on the New York Stock Exchange are in lots of 100 shares, the par value of which is usually \$100, or in lots of \$10,000 of bonds. A rule rigidly enforced is that every broker has to charge everyone who is not himself a member of the Stock Exchange a commission of at least $\frac{1}{2}$ per cent (or, as the Americans always term it, one-eighth of 1 per cent) of the par value on every transaction. The New York Stock Exchange has 1,100 members, and, as it is limited to this number, the value of membership or "seats," as they are termed, is very great, one having recently been sold for \$85,000 (£17,000). This of itself means a considerable reserve asset, for in the case of the bankruptcy of a member his seat is sold for the benefit of his creditors. The Americans are much given to speculation in stocks and shares, and the total value of the transactions carried through in one day often exceeds \$100,000,000. It is perhaps not quite fair to attribute all these dealings to speculation, for the American public invests large sums in bonds—certainly to a much greater degree than any other nation. Wall Street is not an international market in the sense that it deals in many foreign securities,

but the course of prices there is of the greatest interest to European investors, and its tendency is closely watched in the various European financial centres on account of the vast amount of American securities in the hands of European investors, American railroad bonds and stocks and an increasing number of industrial securities being quoted on the principal European Stock Exchanges. Wall Street is linked up with the other cities of America by a wonderfully perfected organisation of private telegraph wire systems; these private wire systems have become so elaborate that clients of New York broking firms resident in cities 1,000, 2,000, and 3,000 miles distant from Wall Street, keep in constant touch with that market, and execute orders for the purchase and sale of securities within two or three minutes. There are many thousands of miles of leased wires that are used for no other purpose between the hours of 10 a.m. and 3 p.m., and Wall Street claims that there is no other market in the world with anything like its facilities for the rapid despatch of business between it and other cities. Only a comparatively small number of American securities are "listed" on the New York Stock Exchange, thus being equivalent to an official quotation in London or an important European Stock Exchange. There is a large volume of business done in the outside or "club" market, where most of the mining shares are handled. Unlike the United Kingdom, however, a vast number of bonds are bought and sold "over the counter," that is to say, through direct sale by brokers of financial houses to private clients, with the result that the American papers are filled with advertisements of such bond-selling houses, which, furthermore, employ a whole army of canvassers calling upon private people in the same way that sewing-machine manufacturers do in this country—and with at least as great success.

Owing to the enormous power—both political and financial—possessed by a relatively small number of magnates, Wall Street is probably more subject to manipulation than other Stock Exchanges, that is to say, the course of prices is oftentimes not regulated by basic factors or intrinsic values, but prices rise or fall according to how it suits the book of certain large speculators, who, with the vast resources behind them, can bolster up a movement contrary to the natural course of events. A not unnatural result of this is that, speaking generally, European speculators lose money time and again in their dealings in American stocks. In fact, it may safely be said that only a new and enormously wealthy country like the United States could stand the financial methods that have been adopted there. (See WATERED STOCK.) This very fact, however, means that large fortunes have been made, and probably will still be made, although there is a noticeable tendency on the part of the legislature to interfere more, year by year, in the way of restricting these operations.

WALNUT.—A genus of trees cultivated for their beauty as well as for their utility. The British variety is the *Juglans regia*, of which the timber is very hard and durable. It takes a fine polish, and is much used for furniture and also for gun stocks. The bark has useful tanning properties, and the fruit is often pickled, besides being eaten raw as one of the most esteemed dessert nuts. The kernel yields an oil used in the arts, and the residue forms a good cattle-food. The home supply of timber and nuts is supplemented by imports from France and

Belgium. The American species is the *Juglans nigra*, or black walnut. The fruit is not equal to that of the British variety, but the wood is more valuable.

WALRUS.—Also called the Morse. It is a marine mammal, closely resembling a seal, and is found in the Arctic regions. It is valuable in commerce for the oil obtained from its blubber, for the ivory of its enormous tusks, and for its hide, which is sometimes made into leather. The ivory is whiter and harder than that obtained from the elephant, and is used for the manufacture of buttons, paper-knives, trinkets, etc.

WARD OF COURT.—(See GUARDIAN AND WARD.)

WAREHOUSE BOOKS.—The special books kept recording the arrival at, or the despatch of, goods from a warehouse, so that a record of those goods on hand or unsold is easily ascertained.

WAREHOUSE-KEEPER.—One who receives goods of any kind for the mere purpose of storage. He is the bailee of the goods, and since he is a bailee for hire he must use proper care and diligence in preserving the goods entrusted to him from injury. A warehouse-keeper has a lien on goods in his care for their storage, but not for the storage of other goods belonging to the same persons, nor for any general balance of account.

WAREHOUSE-KEEPER'S CERTIFICATE OR RECEIPT.—This is a document which is issued by a warehouse-keeper stating that certain goods are retained by him in his warehouse and are at the disposal of the person named. Such a certificate or receipt is not transferable and the goods are not deliverable upon its production. It is simply an acknowledgment of having received certain goods.

When the owner wishes to obtain possession of the goods he signs a delivery order (*q.v.*), or he may obtain a warehouse warrant stating that the goods are deliverable to the person named therein or to his assigns by indorsement. (See WAREHOUSE WARRANT.)

Although, as stated above, a receipt or certificate is really a mere acknowledgment of goods, the term "warehouse-keeper's certificate" is sometimes used (*e.g.*, in the Factors Act, 1889, sect. 1, sub-sect. 4) to indicate a document which is evidence of the title of the person named therein or his assigns to the goods. (See DOCK WARRANT.)

WAREHOUSE-KEEPER'S WARRANT.—(See WAREHOUSE WARRANT.)

WAREHOUSE WARRANT.—This is a document (also called a warehouse-keeper's warrant) issued by the keeper of a warehouse, stating that the goods named therein are entered in the warehouse books and are deliverable to the person mentioned or to his assigns by indorsement.

A warehouse warrant may be as shown in the form at the top of the next column.

The expression "warehouse-keeper's certificate" in the Factors Act (*q.v.*) refers to such a document as is here described as a warrant.

The remarks made regarding a dock warrant (see DOCK WARRANT) apply equally to a warehouse warrant.

The Stamp duty is 3d.

WAREHOUSING.—A warehouse is, of course, a building where goods are stored until such time as they are required for either shipment or delivery. Warehouses may be either private warehouses,

Sugar Warehouse.

No.

Warrant.

For

Imported in the ship from
Captain entered by
on the

Rent payable from the
Examined and entered by

Ledger Folio

Liverpool

19

Deliver the above-mentioned goods to
or assigns, by indorsement hereon.

Warehouse- Keeper

This warrant must be presented at the office,
regularly assigned by indorsement, and all charges
paid, before delivery of the goods can take place.

On the back: Deliver within-mentioned goods
to or order.

railway warehouses, or bonded warehouses, the latter being used only for dutiable goods upon which duty has not been paid. This latter subject is treated in the article on CUSTOMS FORMALITIES. When it is intended that goods are to be warehoused, they can be delivered at the warehouse by the person who is dealing with them, or instructions may be sent to the warehouse asking for the goods to be collected and received at the store for warehousing. In the first case, the charge made would be for receiving the goods, and in the second case the charge would include cartage—from the place where the goods were collected and receiving at the store, known as a warehousing charge. In some instances, the warehousing charge includes rent on the goods for a specified length of time, and in other cases the rent commences immediately the goods are received, and, further, in other cases certain goods are charged rent at a tonnage rate per week, month, or as arranged, whilst other goods are charged for at an amount per package per week, etc. When the goods are received at the warehouse, an advice is sent, as a rule, to the persons for whose account the goods are being stored, stating the mark, etc., number of packages and description and weight of the consignment, and at which warehouse the goods are being stored, also in what condition they have been received. Usually if the packages are left in store for a lengthy period, the rate of rent increases, further, the warehousing company do not hold themselves responsible for fire or deterioration of the goods in any way; and when it is intended that packages are to be warehoused, insurance should be effected by the owners against loss by fire, etc., in order to safeguard themselves against loss.

When it is intended that the goods are to be removed, the owner can either take delivery at the warehouse or arrange with the warehousing company for the latter to deliver, as instructed, as it is usual for the warehousing company to have the means of transport. In the former case, of course, the warehousing company's responsibility for the goods ceases when they have been loaded into owner's carts, and in the latter instance their responsibility only ceases when the goods arrive at destination. (See also BONDED WAREHOUSE.)

WARRANT.—When a criminal offence has been committed, there are certain cases in which the alleged offender can be arrested at once. (See ARREST, RIGHT OF.) But when there is no right

of arrest or the committing of the offence is doubtful, the best method of procedure is for the complainant or the police to go before a magistrate, to swear an information, and then to ask the magistrate to issue a warrant for the arrest. Unless the matter is serious, a summons is often issued in the first instance, and there is no warrant granted unless the summons is disobeyed and the alleged offender fails to appear. The warrant must state specifically the offence for which an arrest is made, and it must be read over to the accused and exhibited to him, if required. No warrant is ever issued in respect of a civil debt. Although no person is liable for an action for false imprisonment if a warrant is issued upon his information by a magistrate, if the case turns out to be unfounded there is always the liability of an action for malicious prosecution (*q.v.*). When the charge is one of treason, felony, breach of the peace, or any indictable offence, the warrant may be executed on any day of the week. In other cases no warrant can be executed on a Sunday. (See SUNDAY)

WARRANT FOR GOODS.—This is a document which is issued by a dock company, a warehouse-keeper, or a wharfinger, stating that the goods named therein are deliverable to the person mentioned, or his assigns by indorsement. (See DOCK WARRANT, WAREHOUSE WARRANT, WHARFINGER'S WARRANT)

The expression "warehouse-keeper's certificate" (as in the Factors Act, *q.v.*) is sometimes used instead of the expression "warehouse-keeper's warrant."

A certificate or receipt is usually regarded as a mere acknowledgment of goods, and a warrant as a document of title to the goods.

The terms are sometimes used rather loosely and without due regard as to whether the document is merely a receipt, or a warrant stating that the goods are held to the order of the person named or his assigns.

By the Stamp Act, 1891, the stamp duty is—

	£	s	d.
Warrant for Goods	0	0	3

Exemptions—

(1) Any document or writing given by an inland carrier acknowledging the receipt of goods conveyed by such carrier.

(2) A weight note issued together with a duly stamped warrant, and relating solely to the same goods, wares, or merchandise.

And see section 111 as follows—

"(1) For the purposes of this Act the expression, 'warrant for goods' means any document or writing, being evidence of the title of any person therein named, or his assigns, or the holder thereof, to the property in any goods, wares, or merchandise lying in any warehouse or dock, or upon any wharf, and signed or certified by or on behalf of the person having the custody of the goods, wares, or merchandise.

"(2) The duty upon a warrant for goods may be denoted by an adhesive stamp, which is to be cancelled by the person by whom the instrument is made, executed, or issued.

"(3) Every person who makes, executes, or issues, or receives or takes by way of security or indemnity, any warrant for goods not being duly stamped, shall incur a fine of twenty pounds."

WARRANTIES.—(See WARRANTIES AND CONDITIONS)

WARRANTIES AND CONDITIONS.—It frequently happens that either in the negotiations leading to a contract or in the contract itself one party has made some representation to the other, or has stipulated for the performance by the other party of some act, or for the omission of something, or for the happening of a certain event, and questions constantly arise as to the effect of such a representation or stipulation upon the contract and upon the liabilities of the parties. Such a representation or stipulation may amount to a warranty or to a condition, according to its nature and its effect upon the contract. A condition may be said to be a representation that a thing is, or that a thing shall be, on the truth of which the existence of the contract may depend, and it gives a right of rescission to the injured party if it be falsified. A warranty is an agreement collateral to the main purpose of a contract, the breach of which gives rise to a claim for damages, but not to a right to treat the contract as repudiated. To constitute either a condition or a warranty the representation or stipulation must relate to the subject-matter of the contract, and must not be a mere expression of opinion or commendation or expectation. The test of whether the particular clause is a condition or a warranty is to see whether it goes to the root of the contract, or whether it only affects the consideration, so that a breach may be sufficiently compensated by damages. If the former it is a condition, if the latter a warranty, whatever the parties may have called it in the contract. Conditions and warranties may be either express, that is, made in words by the parties, or implied, that is such as are incorporated by law in the contract unless the parties expressly stipulate otherwise. If the expressed terms are inconsistent with the incorporation of implied terms, the latter will not be deemed to be included in the contract. As to implied warranties, see under that heading.

On a contract for the sale of goods certain conditions are implied on the part of the seller—

(a) That he has a right to sell the goods, and, in the case of an agreement to sell, that he will have a right to sell the goods when the property is to pass.

(b) On a contract for the sale of goods by description, that the goods shall correspond with the description, and, if the sale is by sample as well as by description, that the bulk of the goods shall correspond with the description.

(c) Where goods are bought by description from a seller who deals in goods of that description, that the goods shall be of merchantable quality. If, however, the buyer has examined the goods, the implied condition will not extend to defects which ought to have been detected on such examination.

(d) On a sale by sample, that the bulk shall correspond with the sample in quality, that the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and that the goods shall be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

(e) Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, so as to show that the buyer relies on the seller's skill or judgment, and the goods are of a description which it is in the course of the seller's business to supply (whether he be the manufacturer or not), there is an implied condition that the goods shall be reasonably fit for such purpose, provided that in the case of a contract

for the sale of a specified article under its patent or other trade name, there is no implied condition as to its fitness for any particular purpose. It may be added that an implied warranty or condition as to quality or fitness for a particular purpose may be annexed to a contract by the usage of trade.)

If a condition is of such a nature that the liability of the other party only arises on the performance of the condition or the happening of the contingency, it is called a condition precedent; if such party's liability ceases on such happening or performance, it is a condition subsequent. The performance of a condition precedent will be excused where the other party has prevented its performance, or has done something which disables him from performing his part of the contract, or has intimated that he does not intend to perform such part. Failure to perform a condition precedent does not necessarily operate as a discharge of the contract, for the injured party may elect whether he will treat the contract as at an end, or whether he will only regard the failure as a breach of warranty which entitles him to damages.

The remedy for a breach of warranty lies in damages, not in the repudiation of the contract. Where the breach is by the seller of goods, the buyer is not by reason thereof entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages. The measure of damages is the estimated loss directly and naturally resulting, in the ordinary course of events, from the breach of warranty, or, in the case of breach of warranty of quality, the difference between the value of the goods at the time of delivery to the buyer and the value they would have had if they had answered to the warranty. The fact that the buyer has set up the breach of warranty in diminution or extinction of the price does not prevent him from maintaining an action for the same breach of warranty, if he has suffered further damage.

The breach of a condition, unless waived, entitles the injured party to at once rescind the contract, or he may, if he prefers, treat it as a breach of warranty, and set-off or claim damages as mentioned above. As regards contracts for the sale of goods, there are two exceptions to this, for where the contract is not severable, and the buyer has accepted the goods, or part thereof, or where the contract is for specific goods, the property in which has passed to the buyer, the breach of any condition to be fulfilled by the seller can only be treated as a breach of warranty, and not as a ground for rejecting the goods and treating the contract as repudiated, unless there is a term of the contract, express or implied, to that effect. (See also under CAVIAR EMPLOYER, CONTRACT, DAMAGES, IMPLIED WARRANTIES, SALE OF GOODS.)

It is necessary to draw attention to what are called warranties in policies of marine insurance, whereby the assured person undertakes, either expressly or by implication, that some particular thing shall or shall not be done, or that some condition shall be fulfilled, or whereby he affirms or negatives the existence of a particular state of facts. These warranties, in spite of the name, are really conditions, and must be exactly complied with, whether material to the risk or not, and, if not so complied with, the insurer will (subject to any express provision in the policy) be discharged from liability as from the date of the breach, but

without prejudice to any liability incurred by him before that date. Non-compliance with these warranties, however, is excused when by reason of a change of circumstances the warranty ceases to be applicable to the circumstances of the contract, or when compliance is rendered unlawful by any subsequent law. A breach of warranty may be waived by the insurer, but where a warranty is broken, the assured person cannot avail himself of the defence that the breach has been remedied, and the warranty complied with, before loss.

Warranties in a special sense are also found in connection with the law relating to adulteration. If the defendant in a prosecution under the Sale of Food and Drugs Act proves that he had purchased the article in question as the same in nature, substance, and quality as that demanded of him by the prosecutor, and with a written warranty to that effect; that he had no reason to believe that the article was otherwise; and that he sold it in the same state as it was when he purchased it, he is entitled to be discharged from the prosecution; and proceedings under the Acts may then be taken against the person who gave the warranty, for the statutory offence of giving a false warranty.

WARRANT OF ATTORNEY.—A written authority given by a client to a solicitor empowering the solicitor to appear and plead for him in an action against the debtor and to suffer judgment for the debt to be entered up against him.

The stamp duty, by the Stamp Act, 1891, is—

Warrant of Attorney to confess and enter up a judgment given as a security for the payment or repayment of money, or for the transfer or retransfer of stock £ s d
For each £100 or fraction thereof . . . 0 0 6
(See MORTGAGE, etc.)

Warrant of Attorney of any other kind 0 10 0

WAR SAVINGS CERTIFICATES.—These certificates (since the war known as National Savings Certificates) are a government security bearing interest free of income tax. The purchase price of a single Certificate is 15s 6d and this amount is repayable at any time on application together with any interest which has accrued. At the end of the first year, a 15s 6d Certificate becomes worth 15s 9d. Thereafter, interest is added at the rate of 1d for each month, and at the end of five years a bonus of 3d is added, raising the full value of the Certificate to £1.

The Certificates are sold at most Post Offices in the United Kingdom, at most Banks, and by Official Agents in most towns of the United Kingdom, in denominations of

	£1 (purchase price 15s 6d)
	£12 (" " £9 6s)
and	£25 (" " £19 7s 6d)

Single Certificates for amounts from £26 (purchase price £20 3s) to the maximum, £500 (purchase price £387 10s.), may be obtained on application to the Comptroller and Accountant-General, General Post Office, London, E.C.1.

National Savings stamps to the value of 6d. and cards to which such stamps may be affixed can be obtained at most Post Offices. These cards when completed will be accepted in purchase of National Savings Certificates.

National Savings Certificates are intended as an investment for individuals only and cannot be held by a registered company, by a partnership, or by a public body. They may be purchased by any

person over seven years of age in his own name and for his own benefit.

Certificates cannot be transferred from one person to another except with the consent of the Postmaster-General, and such consent will be given only in exceptional circumstances. No transfer is allowed which is in the nature of a sale. A fee of 1s. will be payable in respect of each transferee.

WASTE.—Waste, in law, generally signifies any alteration made in land or premises whereby the value is changed. There are alterations which may, in fact, increase the value of the land or premises, and this is called "ameliorative waste." But legally this is an interference with a right of property, and if the owner objects the person in default is liable for the waste which has been committed. Generally, however, waste signifies the allowing of an estate to diminish in value. Waste is either voluntary or permissive. The former consists in doing something, *e.g.*, pulling down a house, opening mines, ploughing up meadow land, etc., whilst the latter consists in allowing buildings, etc., to get out of repair. Waste is mainly connected with the law of real property, and is concerned with the rights enjoyed by a tenant for life (*q.v.*). Thus, a tenant for life is not liable for permissive waste, unless the terms of the grant expressly provide that he shall be held responsible. But if the estate is granted "without impeachment of waste," the tenant for life is not responsible even for voluntary waste, unless it is of the kind known as "equitable waste," *i.e.*, the wilful damage of such things as the mansion house, ornamental timber, etc.

As to the liability of a tenant for damage done to the demised premises, see **LANDLORD AND TENANT**.

WASTE BOOK.—This is a book which is sometimes, though erroneously, called the day book. In this book entries of business transactions are made as they occur, and for a temporary purpose. By this means each transaction, whether of purchase, sale, or otherwise, is shown in chronological order irrespective of its nature. From the waste book the items are entered in proper form into the journal, with a view of their being afterwards transferred permanently to the ledger. (See **WASTE SHEETS**.)

WASTE SHEETS.—Instead of a waste book (*q.v.*), some business houses, especially banks, make use of loose sheets, called waste sheets. These sheets are bound up into book form at certain intervals.

WASTING ASSETS.—(See **ASSETS**.)

WATCHES.—Owing to the introduction of machinery in the United States, the watch-making industry has been revolutionised within recent years, and watches and clocks are obtainable at very low prices. There are also large exports from France, Switzerland, and Germany to all parts of the world, but the best watches are still made in London.

WATERED STOCK.—This is a term which covers the creation by a joint stock company of so much capital stock, *i.e.*, liability to shareholders, against which there are no tangible assets. In the United Kingdom this most usually takes place in the case of the formation of a new company, the amount of the share capital issued to the vendors or the promoters being largely in excess of the value of the properties taken over. If such case it would be said that the capital was "watered," that is to say, was thinned, in the same way, as wine is watered.

In the United States, the "watering" of capital has for years past been a fine art, and is by no means limited to over-capitalisation in the first instance. One of the earliest cases on record is that of the gas companies in Chicago. These companies, some time ago, combined the respective undertakings, the actual capital invested in which amounted to about \$10,000,000. The amalgamated company, however, made its nominal capital \$25,000,000. One of the results is, of course, to conceal from the general public the vast profits made, for, obviously, what would be a very large dividend on the true amount of capital invested, say, \$10,000,000, would be very much less on a nominal capital of \$25,000,000.

Another method which has been largely adopted of late years, particularly in the United States and Canada, has been to issue common stock (ordinary shares) as a bonus to investors who subscribe for bonds or preferred shares, quite apart from the large bonus in this shape given to the vendors and the promoters of the concern. Such stock, being wholly unrepresented by any assets, is, at the outset, nothing but paper, and is, therefore, purely "watered" stock. In course of time, however, if the undertaking becomes prosperous and does not distribute its profits up to the hilt, but re-invests them in the business, assets may gradually be created out of such profits, until what was originally "watered" stock becomes stock which really has assets behind it. This has been the case with the United States Steel Corporation, the capital of which, at its inception, was "watered" to an enormous extent. In the course of years, however, fresh assets have been created by the aid of appropriations from the profits, until, at the present time, the common stock, which was originally nothing but promoters' "plunder," is represented by assets.

Obviously, owing to its origin, such "watered" stock can be sold much below its nominal value and yet show a handsome profit to the original proprietors, who have put in no capital corresponding to it. This explains why one may often see common stock, or ordinary shares, quoted at merely 10 per cent. or 20 per cent. of their nominal value, and it must not be thought that because one buys £100 nominal value of stock or shares in a company for £20 that one is necessarily receiving for that sum something for which the original holder paid £100. As likely as not, the original holder paid nothing for it, and it is merely part of so much "watered" stock.

It should be noted that English Company Legislation has been directed towards diminishing this element in promotion, and the rules that shares may not be issued at a discount and that full disclosures are to be made when shares are issued other than for cash, have this end in view. (See **SHARES**, **ISSUE OF**, **PROSPECTUS**, etc.).

WATER-LOGGED.—A ship is said to be water-logged when it can no longer be managed owing to leakage, and when its cargo is of such a nature, for example timber, that it and the ship both float.

WATER MELON.—(See **MELON**.)

WAX.—(See **BEEWAX**, **CANDLERY**, **JAPAN WAX**.)

WAY BILL.—This is a document which sets out a full list of the passengers and the goods which are being carried for any particular journey.

WEIGHT NOTE.—This is a document issued by dock companies, giving the gross weight, tare and net weight, marks, numbers, and dates of entry

of imported goods. The person who is in possession of the weight note is entitled to the warrant for the goods upon complying with the conditions of sale and paying the balance of the purchase money as expressed in the weight note on or before the expiration of the time for payment of the purchase money.

WEIGHTS AND MEASURES (BRITISH).—The standard of measurement is the Imperial yard, a length fixed by Act of Parliament in 1878. It is a solid square bar in the custody of the Board of Trade, and copies of it are kept in various places. For the convenience of the public, a copy is exhibited, amongst other places, on the outer walls of Greenwich Observatory.

The standard of weight is the pound. This is the weight of a carefully preserved piece of platinum, shaped like a cylinder, measuring 1.35 in. high, and 1.15 in. in diameter.

The standard of capacity is the gallon. This contains ten Imperial standard pounds' weight of distilled water weighed in air against brass weights, with the water and the air at a temperature of 62° F., and with the barometer at 30 in.

I MEASURE

Long Measure.

3 Barleycorns	= 1 Inch (25.4 millimetres).
12 Lines	= 1 Inch
2½ Inches	= 1 Nail.
3 Inches	= 1 Palm
4 Inches	= 1 Hand (used in measuring horses)
9 Inches	= 1 Span
12 Inches	= 1 Foot (⅓ of a metre).
18 Inches	= 1 Cubit
3 Feet	= 1 Yard (36 inches).
2 Feet	= 1 Pace (military).
5½ Feet	= 1 Pace (geometrical).
6 Feet	= 1 Fathom.
5½ Yards (198 inches)	= 1 Rod, Pole, or Perch.
4 Poles (100 links)	= 1 Chain (66 feet).
240 Yards	= 1 Cable's Length.
10 Chains (220 yards)	= 1 Furlong
8 Furlongs	= 1 Mile (1,760 yards).
3 Miles	= 1 League
3 Knots	= 1 Nautical League
1 151 Miles	= 1 Knot or Nautical Mile (2,025 yards).
69½ Miles (60 Geograph)	= 1 Degree

Square Measure.

144 Square Inches	= 1 Square Foot.
9 Square Feet	= 1 Square Yard.
30½ Square Yards	= 1 Square Pole, Rod, or Perch.
40 Perches	= 1 Rood.
4 Roods	= 1 Acre (4,840 square yards)
640 Acres	= 1 Square Mile.

Cubic Measure.

1,728 Cubic Inches	= 1 Cubic Foot.
27 Cubic Feet	= 1 Cubic Yard.

The following are special measures of length—

(a) Cloth Measure.

(For cloths, linens, silks, etc., Scotch and Irish linens are measured by the yard. Dutch linen is

bought by the Flemish ell and sold by the English. Tapestry is generally sold by the Flemish ell.)

2½ Inches	= 1 Nail.
4 Nails	= 1 Quarter (of a yard).
3 Quarters	= 1 Flemish Ell.
4 Quarters	= 1 Yard.
5 Quarters	= 1 English Ell.
6 Quarters	= 1 French Ell.

(b) Cotton Yarn Measure.

120 Yards	= 1 Skein.
7 Skeins	= 1 Hank.
18 Hanks	= 1 Spindle.

(c) Land Measure.

(Land is measured by means of Gunter's Chain. This chain is 22 yards long, and consists of 100 links.)

792 Long Inches	= 1 Long Link.
25 Long Links	= 1 Long Pole
4 Long Poles	= 1 Long Chain.
80 Long Chains	= 1 Long Mile.
62,7264 Square Inches	= 1 Square Link.
625 Square Links	= 1 Square Pole.
16 Square Poles	= 1 Square Chain.
10 Square Chains	= 1 Acre

(d) Linen Yarn Measure.

300 Yards	= 1 Cut
12 Cuts	= 1 Hank.
16 Hanks	= 1 Bundle.

(e) Paper Measure.

24 Sheets	= 1 Quire.
20 Quires	= 1 Ream.
516 Sheets	= 1 Printer's Ream.
2 Reams	= 1 Bundle.
10 Reams	= 1 Bale.

(f) Timber Measure.

1 Load (unhewn timber)	= 40 Cubic Feet.
1 Load (squared timber)	= 50 Cubic Feet.
1 Ton of Shipping	= 42 Cubic Feet
1 Stack	= 108 Cubic Feet
1 Cord	= 128 Cubic Feet.

There are also various "Standards" used for measuring timber. The principal are—

<i>Christiana</i>	= 103½ Cubic Feet.
(120 Deals, 11' × 9" × 1½")	
<i>London</i>	= 120 Cubic Feet.
(120 Deals, 12' × 9" × 3")	
<i>Quebec</i>	= 275 Cubic Feet.
(120 Deals, 10' × 11" × 3")	
<i>Petrograd</i>	= 165 Cubic Feet.
(120 Deals, 6' × 11" × 3")	

(g) Worsted Yarn Measure.

80 Yards	= 1 Skein.
7 Skeins	= 1 Hank.
144 Hanks	= 1 Gross.

OTHER MEASURES.

Angular Measure.

60 Seconds (")	= 1 Minute.
60 Minutes (')	= 1 Degree
30 Degrees (°)	= 1 Sign.
45 Degrees	= 1 Octant.
60 Degrees	= 1 Sextant.
90 Degrees	= 1 Quadrant.
360 Degrees	= 1 Circle

Measures of Time.

60 Seconds	= 1 Minute
60 Minutes	= 1 Hour
24 Hours	= 1 Day.
7 Days	= 1 Week
28 Days	= 1 Lunar Month.
28, 29, 30, or 31 Days	= 1 Calendar Month
12 Calendar Months	= 1 Civil Year
365 Days, 5 Hours,	
48 Mins., 51 Seconds	= 1 Mean Solar Year
366 Days	= 1 Leap Year.
36,524 Days	= 1 Century.

The addition of a day every fourth year, leap year, does not keep the Calendar quite correct. It is a little too much. The difference amounts to about 3 days in 400 years. Three years in every four centuries, therefore, are not counted as leap years, and it has been arranged that those centennial years which are not divisible exactly by 4, when the two last ciphers are taken away, shall not be counted as leap years. Thus 1800 and 1900 were not leap years—but 2000 will be. After the last-named year there will be no centennial leap year until 2400.

Numerical Measures.

12 Articles	= 1 Dozen
13 Articles	= 1 Baker's Dozen
12 Dozen	= 1 Gross
12 Gross	= 1 Great Gross
20 Articles	= 1 Score
5 Score	= 1 Hundred
6 Score	= 1 Great Hundred.

Road Measures in Various Countries.

Length of Mile in English Yards.

America (mile)	1,760
Austria (mile, post)	8,297
Belgium (Kilometre)	1,094
China (Li)	609
Denmark (mile)	8,238
England (Statute mile)	1,760
(Geographical mile)	2,025
France (old mile)	2,132
(Kilometre)	1,094
Germany (Geographical)	8,101
(long)	10,126
(mile metric)	1,640
Holland (legal mile)	1,094
India (Bengal mile)	2,000
Ireland (old)	2,240
Italy (mile)	2,025
Norway (mile)	12,182
Portugal (mile)	2,250
Russia (Versst)	1,167
Saxony (post mile)	7,432
Scotland (old)	1,977
Spain (mile)	1,522
Sweden (mile)	11,690
Switzerland (mile)	8,584

II. WEIGHT.

Avoirdupois Weight.¹

27 343 Grains	= 1 Dram.
16 Drams	= 1 Ounce (437 5 grs.). ¹
16 Ounces	= 1 Pound (lb) (7,000 grs.).
14 Pounds	= 1 Stone ²
28 Pounds	= 1 Quarter.
100 Pounds	= 1 Cental
4 Quarters (112 lbs)	= 1 Hundredweight.
20 Hundredweights	= 1 Ton (cwt.)

Apothecaries' Weight (Old).

20 Grains	= 1 Scruple, (s)
3 Scruples	= 1 Dram, (ʒ (60 grains).)
8 Drams	= 1 Ounce, (ʒ (480 grs.).)
12 Ounces	= 1 Pound, lb (5,760 grains).

Drugs are compounded by this weight.

Physicians and chemists use these weights in dealing with prescriptions. In the British Pharmacopœia avoirdupois weight is used.

There is also what is called an Apothecaries' Fluid Measure (also used in photography).

6 Minims (m)	= 1 Drachm.
8 Drachms	= 1 Ounce.
20 Ounces	= 1 Pint
8 Pints	= 1 Imperial Gallon
1 Teaspoonful	= 1 Drachm
1 Dessertspoonful	= 2 Drachms.
1 Tablespoonful	= 4 Drachms

Troy Weight.

3 17 Grains	= 1 Carat.
24 Grains	= 1 Pennyweight (dwt)
20 Pennyweights	= 1 Ounce (480 grains).
12 Ounces	= 1 Pound (5,760 grs.).
100 Pounds	= 1 Hundredweight.

Troy weight is used for gold, silver (and articles made of gold and silver), platinum, and precious stones.

The standard for gold coin is 22 carats fine gold and 2 carats alloy; for silver, 11 oz 2 dwts. silver and 18 dwt alloy.

The following are special weights—

(a) Butter and Cheese Weight.

8 Pounds	= 1 Cise
56 Pounds	= 1 Firkin
84 Pounds	= 1 Tub.
112 Pounds	= 1 Dutch Cask.
224 Pounds	= 1 Barrel
356 Pounds	= 1 Suffolk Wey.
236 Pounds	= 1 Essex Wey.

(b) Coal Weight.

(In addition to Avoirdupois Weight)

1 Sack	= 1 Hundredweight.
1 Large Sack	= 2 Hundredweights.
7 Tons	= 1 Room
21 Tons 4 Hundreddwt.	= 1 Barge or Keel.
20 Keels	= 1 Shipload.

("All coal shall be sold by weight only, except where by the written consent of the purchaser it is sold by boatload, or by wagons or tubs delivered

¹ A grain is the same in all weights.

² Butcher's stone is 8 lbs.

from the colliery into the works of the purchaser. . . . Where any quantity of coal exceeding 2 cwt. is delivered by means of any vehicle to a purchaser, the seller of the coal shall deliver, or cause to be delivered, or to be sent by post or otherwise, to the purchaser or his servant, before any part of the coal is unloaded, a ticket or note in a prescribed form—Weights and Measures Act, 1889)

(c) Fish Weight and Measure.

1 Barrel (anchovies)	= 30 pounds
1 Quintal	= 112 pounds
1 Box (salmon)	= 120 to 130 pounds.
4 Fish	= 1 Warp.
33 Warps	= 1 Long Hundred.
10 Long Hundred	= 1 Thousand
10 Thousand	= 1 Last.
500 Herrings	= 1 Cade
1000 Sprats	= 1 Cade
600 Herrings	= 1 Mease
1 Cran of Herrings	= 37½ Gallons

(d) Flour Weight.

14 Pounds	= 1 Peck or Stone.
40 Pounds	= 1 Boll
56 Pounds	= 1 Bushel.
196 Pounds	= 1 Barrel.
280 Pounds	= 1 Sack

(Bread is usually sold in 4-lb. and 2-lb. loaves, that is, quarters and half-quarters. Unless it is of the class known as "fancy bread," it must be weighed in the presence of the buyer. It is forbidden, by statute, to sell bread by the peck)

(e) Hay Weight.

56 Pounds	= 1 Truss (old hay).
60 Pounds	= 1 Truss (new hay).
36 Trusses	= 1 Load.
1 Square Yard	= 6 Stone (new hay).
1 Square Yard	= 9 Stone (old hay).

(f) Straw Weight.

36 Pounds	= 1 Truss.
36 Trusses (11 cwt. 64 lb.)	= 1 Load.

(g) Wool Weight.

7 Pounds	= 1 Clove.
20 Pounds	= 1 Score.
2 Cloves	= 1 Stone.
2 Stones	= 1 Tod.
12 Score	= 1 Pack.
6½ Tods	= 1 Wey.
2 Weys	= 1 Sack.
12 Sacks	= 1 Last.

Other Weights.

Almonds	basket	1½-1½ cwt.
"	seron	1½-2 cwt.
"	box (Jordan)	25 lb.
Arsenic	cask	4 cwt.
Ashes	cask (American)	3½-5 cwt.
"	cask (Russian)	10 cwt.
Baif	tierce of 38 pieces (Irish)	304 lb.
"	firkin	100 lb.
"	band	200 lb.
Bristles	cask	10 cwt.
Bullion	bar	15-30 lb.
Camphor	box	1 cwt.

OTHER WEIGHTS (cont.)

Candles	barrel	120 lb.
Cassia	chest	60 lb.
Cinnamon	bale	92½ lb.
Clover seed	sack	2-3½ cwt.
"	cask	7-9 cwt.
Cloves	matt	80 lb.
"	chest	200 lb.
Cochineal	seron	140 lb.
"	bag	200 lb.
"	70,000 insects	1 lb.
Cocoa	bag	1 cwt.
"	cask	1½ cwt.
Coffee	barrel or robin	1-1½ cwt.
"	bag	1½-1½ cwt.
"	tierce	5-7 cwt.
"	bale (Mocha)	2-2½ cwt.
Copperas	hhd	16½-20 cwt.
Curriants	caroteel	5-9 cwt.
"	butt	15-20 cwt.
Feathers	bale	1 cwt.
Figs	drum (Turkey)	24 lb.
"	frail (Faro)	32 lb.
"	frail (Malaga)	56 lb.
"	barrel	96 lb. to 2½ cwt.
Flax	matt (Dutch)	126 lb.
"	bale (Flemish)	2 cwt.
"	bale (Russian)	5-6 cwt.
Galls	sack	3½ cwt.
Ginger	bag (Jamaica)	1 cwt.
"	bag (East Indies)	1 cwt.
"	bag (Barbadoes)	1½ cwt.
Glass	stone	5 lb.
"	seam	24 stone.
Gum	chest (Turkey)	4 cwt.
" Arabic	chest (East Indies)	6 cwt.
Gunpowder	barrel	100 lb.
"	last (24 barrels)	2,400 lb.
Hemp	stone	32 lb.
Hops	pocket	1½-2 cwt.
"	bag	3½ cwt.
Honey	gallon	12 lb.
Indigo	seron	250 lb.
Lead	fodder or fother	19½ cwt.
Liquorice juice	case	1½ cwt.
Mace	case	1½ cwt.
Madder	cask	15-23 cwt.
Magnesia	chest	1 cwt.
Meat	stone	8 lb.
Molasses	punchcon	10-12 cwt.
Mustard	cask small	9-18 lb.
"	cask (large)	18-36 lb.
Nutmegs	cask	200 lb.
Nuts	bag (Barcelona)	126 lb.
"	bag (Messina)	1½-1½ cwt.
Opium	chest (Turkey)	136 lb.
"	chest (East Indies)	149½ lb.
Pepper	bag (free trade)	½, ¾, or 1 cwt.
"	bag (white)	168 lb.
"	bag (black)	316 lb.
Pimento	bag	1 cwt.
Plums	carton	9 lb.
"	½ box	20 lb.
Pork	firkin (Irish)	100 lb.
"	tierce	304 lb.
Potash	barrel	200 lb.
Potatoes	cwt	120 lb.
Prunes	barrel	½-3 cwt.
"	punchcon	10-12 cwt.
Quicksilver	bottle	84 lb.
Rags	bale (Hamburg)	2½ cwt.
"	bale (Mediterranean)	4½-5 cwt.

OTHER WEIGHTS (*cont.*)

Resin	barrel	about 2 cwt.
Raisins	drum (Valencia)	24 lb
"	box (Valencia)	30-40 lb.
"	cask (Malaga)	1 cwt.
"	box (Malaga)	22 lb.
"	cask (Turkey)	2½ cwt
Rice	bag (East Indies)	1½ cwt
"	cask (America)	6 cwt
Sago	bag	1 cwt
"	chest	1½ cwt
Salmon	box	120-130 lb
Salt	bushel	56 lb
Saltpetre	bag	14 cwt
"	barrel	1 cwt
Shellac	chest	1-3 cwt
Soap	firkin	64 lb.
"	barrel	256 lb
"	chest	3½ cwt.
Soda	cask	3-4 cwt.
Steel	fagot	120 lb
Sugar	bag (East Indies)	1-1½ cwt
"	matt or bag (Mauritius)	1-1½ cwt
"	tierce (West Indies)	7-9 cwt.
"	hogshead (West Indies)	13-16 cwt.
Sugar-candy	box	70 lb
Tallow	cask	9 cwt
Tapioca	barrel	1½ cwt
Tea	chest (Congou)	80 lb
"	chest (Hyson)	60-80 lb
"	chest (Ordinary)	84 lb
Tiles	load	1,000
Tobacco	hogshead	12-18 cwt
Turpentine	barrel	2-2½ cwt
Vermilion	bag	50 lb.
Walnuts	bag	1 cwt.

III. CAPACITY

Dry Measure.

4 Gills	= 1 Pint
2 Pints	= 1 Quart
2 Quarts (4 pints)	= 1 Pottle.
2 Pottles (4 quarts)	= 1 Gallon.
2 Gallons	= 1 Peck
4 Pecks	= 1 Bushel
3 Bushels	= 1 Sack
4 Bushels	= 1 Coomb
5 Bushels (or pecker's load)	= 1 Sack of Flour.
8 Bushels	= 1 Quarter.
12 Sacks	= 1 Chaldron.
5 Quarters (40 bushels)	= 1 Wey or Horse-load
10 Quarters	= 1 Last.

Ale and Beer Measure.

4 Gills	= 1 Pint.
2 Pints	= 1 Quart
4 Quarts	= 1 Gallon.
9 Gallons	= 1 Firkin
2 Firkins (18 gallons)	= 1 Kilderkin.
2 Kilderkins	= 1 Barrel
1½ Barrel	= 1 Hogshead
2 Hogsheads	= 1 Butt
2 Butts	= 1 Tun.

Wine Measure.

4 Gills	= 1 Pint.
2 Pints	= 1 Quart.
4 Quarts	= 1 Gallon.
9 Gallons	= 1 Anker
18 Gallons	= 1 Runlet.

WINE MEASURE (*cont.*)

31½ Gallons	= 1 Barrel
42 Gallons	= 1 Tierce
63 Gallons	= 1 Hogshead.
84 Gallons	= 1 Puncheon
2 Hogsheads	= 1 Pipe or Butt.
2 Pipes	= 1 Tun

Other Wine and Spirit Measures.

1 Hogshead of Claret	= 46 Gallons
1 Butt of Sherry	= 108 Gallons
1 Pipe of Port	= 115 Gallons
1 Pipe of Madeira	= 92 Gallons
1 Pipe of Marsala	= 93 Gallons
1 Puncheon of S Whiskey	= 112-120 Gallons
1 Puncheon of Brandy	= 100-110 Gallons
1 Hogshead of Brandy	= 45-55 Gallons
½ Cask of Brandy	= 26-28 Gallons
1 Pipe of Cider	= 100-118 Gallons.
1 Puncheon of Rum	= 90-100 Gallons
1 Hogshead of Rum	= 45-50 Gallons
1 Tun of Wine	= 240 Gallons
1 Pipe or Butt	= 108-117 Gallons

Miscellaneous.

Bucks, Load of	= 500
Glass, Seam of	= 120 lb
Law Papers, 1 Folio	= 72 Words
Potatoes, Sack of	= 168 lb.

WELFARE DEPARTMENT.—This is a comparatively recent innovation in factory and business organisation, and came greatly to the fore during the war. It has been said that the welfare department (or employment or labour department, as some prefer to call it) is "required to study the workers individually and severally as living, thinking beings, and the end it has to attain is (i) to obtain a healthy and contented personnel, and (ii) to maintain it in health and contentment. This end should be attained primarily that the industry may justify its existence to the community, and secondly that it may receive good and efficient service from those it serves."

Space will not permit of an extended reference to the various considerations which are raised in this connection, but the following summarizes the main points—

(i) Welfare and health work is needed to lubricate the wheels of the living machinery of industry.

(ii) It must be given a status commensurate with its importance.

(iii) It requires a department of experts acting in close touch with the workers.

(iv) The duties of the department should be carefully defined, and include activities both inside and outside working hours.

(v) Constant inquiries and investigation are a necessary part of the work.

(vi) Every effort must be made to avoid trenching on the established prerogatives of technical control and of trade unionism.

WESTERN AUSTRALIA.—Position, Area, and Population. Western Australia, the largest, but least populated, of the Australian States, includes all that portion of the Australian mainland, which extends to the west of the meridian of 129° E, and is situated between the parallels of 13½° S. and 35° S. Its greatest length is 1,480 miles, and its greatest breadth about 1,000 miles. Its area of

975,920 square miles is more than one-third of the area of the Australian mainland, and eight times that of the United Kingdom. The population of this vast region is only about 313,000, which gives the remarkably low density of '3 to the square mile.

Coast Line. The coast line has a total length of over 8,000 miles, but there are few good natural harbours. On the south, King George's Sound possesses a good harbour in Princess Royal, but steep cliffs rise from the shores of the Great Australian Bight. It is, however, possible to form a roadstead at Esperance to serve the Dundas goldfield. Fremantle, on the west coast, has had its harbour made safe by an immense mole, and Shark Bay is fairly well sheltered. The northern coast is characterised by its mangrove swamps, but possesses in King Sound and Cambridge Gulf fine natural harbours, though rendered less useful by the great tidal ranges there.

Build. The greater part of the State is occupied by a vast and tableland of very ancient rocks, and coastal plains lie on the north, west, and south. Of the chief deserts of the tableland, the Queen Victoria Desert lies between 26° S and 31° S, and is uninhabited except by a few aborigines, and the Gibson Desert, lying north of the latter and stretching to the Tropic of Capricorn, is a stony waste. Beyond the latter stretches the Great Sandy Desert northwards in ridges of drifted sand. The chief mountain ranges are of low elevation, and include the Leopold and Muller Ranges in the north, the Hammeisley Range in the north-west, and the Darling and Stirling Ranges in the south-west. There are numerous so-called lakes on the plateau, which have little depth, and become dry in the hot seasons. Numerous rivers flow westwards from the escarpments of the plateau, and the chief among them are the Swan, Murchison, Gascoyne, Ashburton, De Grey, and Fitzroy. Only two are of commercial importance—the Swan and the Fitzroy; the rest are only filled during the rainy season.

Climate. Speaking generally, the climate of Western Australia is remarkably healthy, but all varieties of climate from lower temperate to tropical are to be found. Four climatic regions may, however, be distinguished: (1) The Kimberley region of the north, possessing a tropical monsoon climate, with an annual rainfall of 40 to 60 in., (2) the arid and semi-arid desert tableland, with marked temperature changes, and with a rainfall of 0 to 15 in., (3) the transition belt between the two former, and (4) the south-west and south with a "Mediterranean" climate, and a rainfall varying from 40 in. on the coast to 15 in. in the interior.

Production and Industries. *The Pastoral Industry* is one of the chief mainstays of the colony. Sheep and cattle are the chief animals reared, but horses and pigs are also fed in large numbers. The principal pastoral regions are in the North-West, the coast ranges of the South-West, and in the southern Kimberley district, especially in the valleys of the Ord, Margaret, Lennard, and Fitzroy Rivers. The dairying industry is of little importance, but is sure to develop in the South-Western district between Geraldton and Albany, where the population is mainly centred. A poisonous plant in the south is a hindrance to stock-rearing. There is much good grazing land on the plateau, and this region is not so much the great barren wilderness as the early estimates asserted.

Agriculture. Agriculture is chiefly carried on in the South-Western region. Wheat, barley, oats,

maize, hay, potatoes, and root crops are raised. The yield of the cereals is moderate, but the quality is good. The orange, vine, lemon, apple, and peach are grown with great success between Bunbury and Geraldton, and many other regions in the South-West are suitable for fruit growing, hence with good local and foreign markets this industry is certain to develop.

Forestry. Western Australia possesses a very valuable asset in her 30,000 square miles of forest. Jarrah and karri, species of eucalyptus, are the chief. Jarrah is world-famed for its durability, and its resistance to the ravages of the white ant, the teredo, and dry-rot. It grows chiefly in the South-West between Perth and Albany. The karri is larger and taller than jarrah, sometimes attaining heights of over 200 ft.; and is limited to a tract in the extreme South-West. Other varieties of timber are tuart, wandoo, York gum, and sandalwood. The bark of the mallet tree is used for tanning purposes.

The Mining Industry. Gold-mining is one of the staple industries of Western Australia, and has raised the colony from the "Cinderella" state to a fairly prosperous condition, with fair hope of future development. The gold belt extends from north to south roughly parallel to the coast, and includes the Kimberley (1886), Pilbarra, Ashburton, Gascoyne, Murchison and East Murchison (1891), Yilgarn (1887), Mount Margaret, Southern Cross (1887), Coolgardie (1892), Kalgoorlie (1893), and Dundas goldfields. The colony ranks first in Australia in gold production. Much of the gold first found was in the form of alluvial nuggets, now quartz-mining operations are carried on. Other minerals, at present little worked, but of fair extent, are silver, coal, iron, tin, copper, lead, and very hard diamonds used for glass cutting. Coal exists near Wyndham, Geraldton, and Bunbury; but is mainly mined at Collie, near Bunbury, and is all used locally and for the shipping at Fremantle. Northampton mines copper, and the Greenbushes yield tin.

The Fishing Industry. There is an important pearl-fishing industry, with headquarters at Broome, on the north-west coast. Two distinct species of mother-of-pearl shell contribute to the export trade of this article. The main and most valuable portion is represented by the large mother-of-pearl shell, limited to tropical waters, and obtained from Exmouth Gulf northwards. Fine pearls are also obtained. The second, or Shark's Bay variety, is of comparatively small size, and is used for the manufacture of buttons. The food fishes of economic value are many, but the industry is in its infancy.

The Manufacturing Industries. Manufactures are naturally in a very rudimentary state. There are small local industries, such as brick-making, working wood or metals, and the making up of textile fabrics into clothing.

Communications. The chief means of communication in a State possessing few navigable rivers or good roads, and yet one where some of the main trade centres are far from the coast in an arid wilderness are of necessity railways. The railway system of the colony has made great strides. The Eastern Railway connects Perth with Fremantle, and passes through Northam, Southern Cross, Coolgardie, and Kalgoorlie to Kanowna. The Great Southern line connects Perth with Albany, passing through Brookton, Narrogin, Katanning, and Cranbrook. The South-Western line connects Perth with

Bunbury, **Busselton**, and **Bridgetown**. The Midland connects Perth with Geraldton and Northampton; and the Northern Railway connects Geraldton with Mullewa, Cue, and Nanine. The Eastern Railway may, in the future, be extended from Kalgoorlie to Port Augusta (South Australia), thus completing the first trans-continental line.

Camels are used in the desert parts for transport purposes.

Commerce. West Australia trades mainly with the United Kingdom, the other Australian colonies, and with the British colonies. The exports are mainly wool, gold, timber (jarrah and kauri), but also include some skins, kangaroo hides, pearls, pearl shells, sandal-wood, wheat, flour, fruit, tin, copper, guano. The imports consist of food stuffs, railway plant, machinery, ironware, clothing, liquors, tea, and sugar.

Trade Centres. The trade centres are the ports, and the towns in the gold-mining, pastoral, and agricultural regions.

Perth (117,000, with suburbs), the capital, is situated on the Swan River, about 10 miles from its mouth. The gold discoveries gave it a great impetus. Perth is a pretty town, and has an ample supply of water. It is an industrial and commercial centre.

Fremantle (21,000), at the mouth of the Swan River, is the chief port of the colony, and now has good harbour accommodation. It is a port of call for the mail steamers.

Kalgoorlie (18,800), nearly 400 miles east of Perth, has had a rapid growth. Its famous "Golden Mile" contains numerous mines fitted with costly machinery, and lighted by electric light.

Coolgardie (2,000), the capital of the goldfields of that name, has been overshadowed by Kalgoorlie. Water is conveyed to it and Kalgoorlie from Mundaring, in the Darling Range.

Albany (4,000), on Princess Royal Harbour, in King George Sound, was formerly the port of call for mail steamers. It has suffered from the competition of Fremantle. It is still a naval coaling station, and is the port for the large agricultural and pastoral district behind it. Albany is the oldest settlement in Western Australia.

Boulder (11,000) lies 4 miles east of Kalgoorlie, and is a famous gold centre.

Broome, on Roebuck Bay, the centre of pearl-fishing, is connected by cable with Banjowangie, in Java, and messages go from Broome to Perth, and thence through Eucla to Adelaide, Melbourne, and Sydney.

Other small towns are **Cue** (the centre of the Murchison goldfield, and also an agricultural and pastoral centre), **Geraldton** (the port of the Murchison goldfield), **York** and **Northam** in the South-West (agricultural centres), **Busselton** and **Bunbury** (timber centres), **Collie** (coal centre), **Esperance** (small port on the south coast, 126 miles from Dundas), and **Menzies** (mining centre).

Mails are despatched to West Australia every Friday via Brindisi or Naples. The time of transit is about twenty-six days.

For map, see AUSTRALIA.

WEST INDIES.—The large group of islands which extend from Florida in the United States to Venezuela in the north of South America. About forty are inhabited. The total area is estimated at 100,000 square miles, and the total population at a little more than 6,000,000. Only Cuba and Haiti possess free and independent

governments. These two islands, as well as the principal of the remaining ones, are noticed under separate headings, or in the articles dealing with the countries of which they form a part of the colonial possessions.

WET DOCK.—This is a dock into which vessels are admitted at high water, after which the dock gates are closed again so that the level of the water does not sink. In these docks ships can remain afloat and take in or discharge cargo at any time, without having regard to the rising or the falling of the tide outside.

WET GOODS. All liquids contained in casks or bottles.

WHALEBONE.—Really not bone at all, but a light, flexible, elastic substance, resembling horn, obtained from the mouth of the whalebone whales in the shape of plates of baleen (*q.v.*). Whalebone is largely used for the manufacture of strong brushes, for boning the best corsets, etc.

WHALES.—Whales are hunted in most of the oceans for blubber and whalebone. The carcasses are frequently used for the manufacture of bone manure. The Greenland whale is now so rare in Arctic seas that it is no longer pursued. In the South Atlantic the closely allied southern whale is found. Both these are very valuable for the large amount of whalebone as well as oil which they yield. Various kinds of hump-whales are now hunted in the Greenland Sea, North and South Atlantic. Their pursuit has brought human settlements to otherwise unpopulated islands like South Georgia and the South Shetlands. Three hundred years ago whaling gave rise in Spitzbergen to a summer town of 1,500 inhabitants but this has long since disappeared. Sperm whaling is followed in the tropical waters of the Atlantic, Indian and Pacific Oceans, generally by nomadic whalers, which remain at sea for long periods.

WHARF.—A bank on the shore of a harbour or river where vessels can be loaded and unloaded.

A wharf is a "factory" within the meaning of the Factory and Workshop Act, 1895, and therefore a "factory" with the meaning of the Workmen's Compensation Act, 1906, but it does not necessarily follow that a canal wharf, upon which no machinery is used, is such a factory.

WHARFAGE.—The charge that is made for the use of a wharf when a vessel is discharging her cargo.

WHARFINGER.—The wharfinger is the steamship owners' representative at the dock. Goods arriving for shipment are received by him and checked according to the sender's notes, after which he gives a signature for the goods. In the case of any shortage, he, of course, alters the notes as may be necessary, and in the case of damaged goods, due mention of this is made by him on the receipts. When the goods have been received and landed at the shed, the wharfinger enters them in his shipping book, giving date of arrival and full particulars of marks and numbers on the packages, number of packages, and steamer for which they are intended to be shipped. The goods are then ready for shipment, and it is the wharfinger's duty to have the packages marked as being ready for loading into the steamer, pointing out to the stevedore that they may be shipped. Whilst being loaded, the wharfinger arranges for a tally to be made, that is to say, a check of every package is made as it is loaded into the steamer. When the steamer has been loaded the wharfinger supplies to the office full particulars

of everything which has actually been shipped from which the bills of lading are made out; and if any goods have been received damaged, the actual damage is stated on these returns. The remarks regarding damage are thereupon in the bills of lading when being signed. It will thus be seen that it is very important to the shipowner that the wharfinger's returns should be accurate in every way, as discrepancies in the bills of lading might lead to wrong delivery being made at destination, and, further, in the case of any damage, if this is not stated on the bill of lading, the steamer is naturally held to be responsible for the damage.

If goods are advised as arriving by railway for shipment and have not arrived when required for shipment, the wharfinger interviews the railway company, in order that the wagons may be traced and sent alongside the steamer without delay.

It may be that the steamer is loading more cargo at another port, and in this case the wharfinger arranges that the cargo is stowed at his port in such a way that when the additional cargo is taken on board the steamer will be in a proper seaworthy condition; and if the steamer loads cargo at one port destined for two or more ports, the wharfinger must see that the cargo for each port is well separated and handy for discharge, also that when the steamer has discharged at the different ports the vessel will still be in a seaworthy condition.

The wharfinger should also note the draft of the vessel (fore and aft) before she leaves the dock, and that the cargo has been stowed in such a manner that the vessel is in a seaworthy condition and in accordance with the master's instructions.

After the steamer has finished her lading, the wharfinger will go over the quay and see that everything which has been advised for shipment by him to the stevedore has been duly put on board. The wharfinger also makes out the stowage plan of the steamer, that is to say, a plan of the various holds of the ship showing how the cargo has been loaded.

In the case of imports, the wharfinger receives a copy of the ship's manifest, which is, in turn, copied into a book at the dock, known as the delivery book. As the steamer is discharging, the wharfinger arranges, as in the case of the shipment of goods, for a tally to be taken as the goods are discharged from the steamer, either direct into conveyance for delivery or on to the quay. When application for the delivery of goods is made, the wharfinger arranges for the goods to be handed over to the consignee, obtaining from the latter the delivery orders, etc. (issued usually at the office). He sees that the goods have been duly examined and passed by the Customs officers, as delivery without any Customs examination taking place makes the steamship owner liable to a severe penalty for such illegal delivery.

At the time of delivery the goods are marked off in the delivery book, and a signature obtained from the carrier, etc., who takes delivery.

If any cargo is landed damaged from the steamer, this must be advised to the office in writing, and arrangements must be made by him for the packages to be reprinted, as necessary.

At the expiration of a few days from the steamer's discharge, the wharfinger should have made out a list of the goods of which delivery has not been taken, and send same to the office in order that warehousing arrangements can be made, as required.

WHARFINGER'S RECEIPT, OR CERTIFICATE.

—This is a document which is issued by a wharfinger (*qv*) acknowledging the receipt of goods committed to his charge, or certifying that certain goods are ready for shipment. Such a receipt or certificate is not a document of title, and therefore of no value as a security.

A wharfinger's warrant stating that the goods are deliverable to the person named therein or to his assigns by indorsement, does form a document of title. (See DOCK WARRANT, WAREHOUSE WARRANT.)

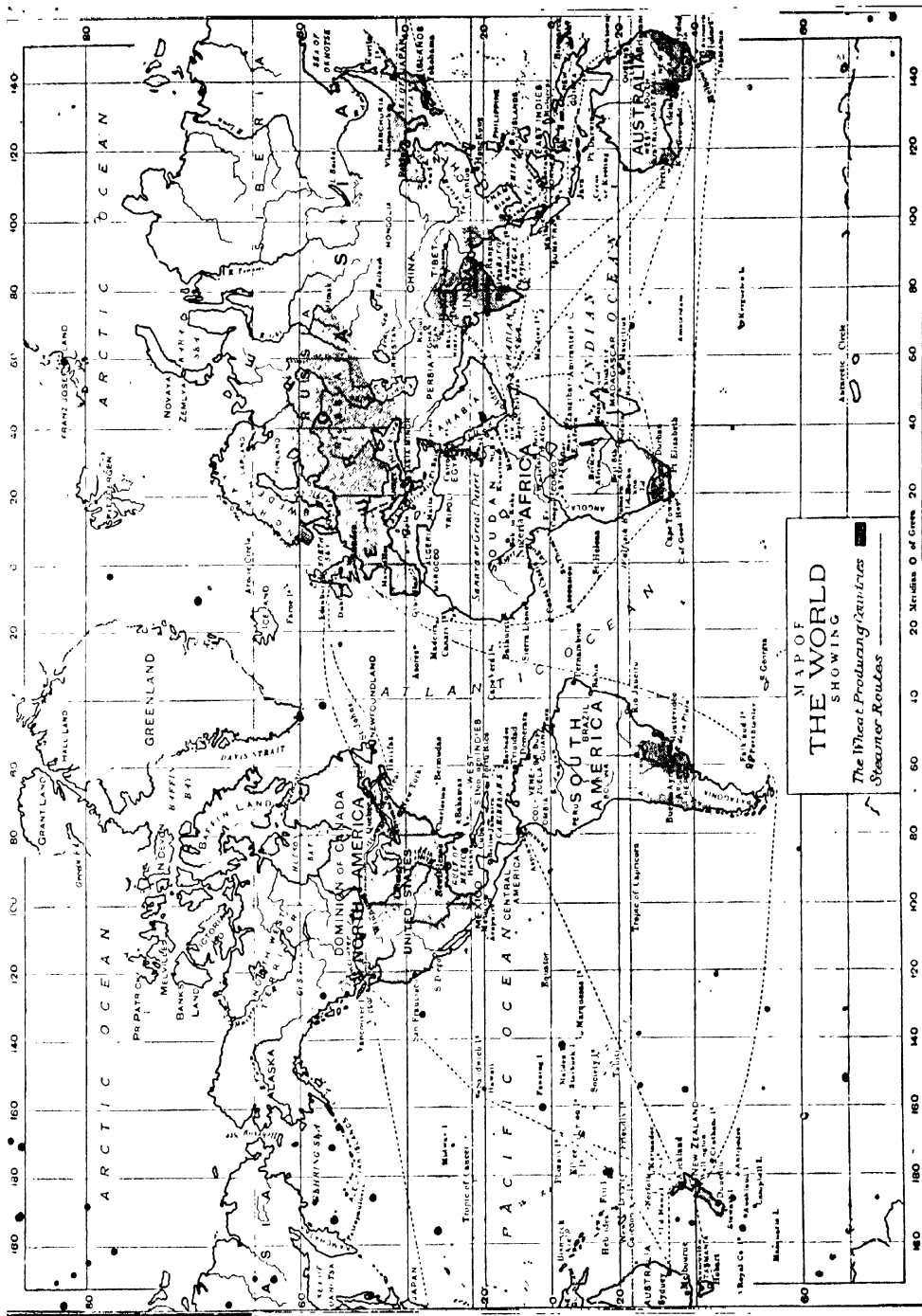
WHARFINGER'S WARRANT.—This is a document which is issued by a wharfinger (*qv*) stating that the goods named therein are deliverable to the person mentioned or to his assigns by indorsement.

The remarks which apply to a dock warrant apply equally to a wharfinger's warrant. (See DOCK WARRANT.)

WHEAT.—An important food grain, of which there are many species. As will be seen from the map shown inset, it is cultivated in the tropics as well as in the temperate parts of the world, but varies in composition with the climate. Thus British wheat contains more starch and more moisture than the Indian variety, which is richer in gluten. The species most largely grown is the *Triticum vulgare* or *Triticum sativum*, which forms the staple food of the more highly civilised races, being both nutritive and cheap. The crushed grain is flour (*qv*), the outer covering or husk is bran (*qv*), and the stalk, when dried, is straw (*qv*). Great Britain's supplies are supplemented by imports from the United States, Canada, Russia, Rumania, and India.

Generally speaking, wheat requires a light clayey soil, but one that will drain well, allow the roots to spread, and afford easy conditions of tillage. Like all grasses, it must have rain in the germinating season, which should be fairly cool. This gives the best conditions for growth. The ripening period must be warm and dry, conditions which as a rule restrict the northward extension of wheat. A severe dry winter is hostile to winter (or properly speaking autumn) wheat, while a dry warm spring prevents the growth of spring wheat. In all cases an early and wet autumn is injurious to wheat cultivation: in England the chief wheat lands are in East Anglia, which is favoured with a drier and warmer summer than the west and north of the country. The Mediterranean climate, with its deficient rainfall amplified by irrigation, is an ideal one for wheat. The chief problems in the extension of wheat cultivation lie in finding varieties that will germinate with less rain and ripen with lower temperatures.

WHISKY.—A spirit obtained by fermentation and distillation from malted and unmalted cereals and other starch-yielding materials, such as potatoes. Pure malt whisky is made almost exclusively in Scotland. In Ireland a mixed grist of malt and raw grain is used; and in England much of the whisky is made from malted rye, ground oats, and maize. The best whisky of Scotland and Ireland is made by pot stills, while the English product is a patent-still spirit. When first made, whisky is a colourless liquid, and its various shades are obtained by the addition of some colouring matter, or by storage for several years in sherry casks, which also improves the flavour. Proof spirit consists of equal parts of alcohol and water.



Scotch whisky is bonded at 11 per cent. over-proof, and Irish whisky at 25 per cent. over-proof (O.P.); but that sold by the retail dealers is generally from 10 to 20 per cent. under proof (U.P.).

WHITE LEAD.—A carbonate of lead obtained by the decomposition of lead with various acids, especially dilute nitric acid. It is a soft, earthy powder, and is much used as a white pigment. It is often adulterated by the addition of chalk. Owing to its poisonous properties and to the costliness of its production, similar preparations are frequently used in the place of white lead.

WHITLEY COUNCILS.—Whitley Councils or Joint Industrial Councils were recommended by a Committee appointed by the Government to advise the Cabinet on the future relations of employers and employed. The Committee was under the chairmanship of the Rt Hon J. H. Whitley, M.P., Chairman of Committees in the House of Commons, and the terms of reference were to advise the Government on two points, (a) to make suggestions for securing permanent improvement in the relations between employers and workmen, and (b) to recommend means for securing that industrial conditions affecting the relations between employers and workmen should be systematically reviewed by those concerned with a view to improving conditions in the future.

The Committee to which these matters were referred was a very representative one, and after a careful consideration of the whole problem, they made recommendations on head (b) as being, in their opinion, the best way of securing an improvement in the relations between employers and workmen. The main recommendations in the Report were in relation to the establishment of Joint Standing Industrial Councils, intended to bring employers and workpeople together, and providing for continuity of policy and regularity of meetings for the discussion of matters of common interest. It was hoped that the effect of these Councils would be to produce an atmosphere which would prevent disputes from arising by reason that discussions would take place before bad feeling had been aroused, thus reducing misunderstandings and suspicion which are so common a feature in industrial disputes.

The recommendations of the Whitley Committee were that first National Industrial Councils consisting exclusively of representatives of organised labour and employers should be set up. A separate National Council would be required for each industry and so far as possible the work of each Council would be carried on by means of decentralised machinery. Most of the large industries are distributed throughout the Kingdom, and the report proposes that District Joint Councils should be set up to work under a scheme prepared by the National Joint Council, and finally, where the circumstances of the industry permit, the machinery should be further decentralised by the setting up of works committees representative of the management and of the worker. The fundamental conditions existing in various industries differ from industry to industry, and no hard and fast rules can be laid down as to the methods to be adopted, in setting up these trade parliaments. The Whitley Committee, recognising this, left in their suggestions the initiative in the settlement of details as to representation and distribution of functions to the industries themselves. It should be noted that where either employers or employed are not organised the scheme cannot apply.

There are numerous problems such as the regularisation of employment, apprenticeship, industrial research, legislation as to workshop conditions, settlement of wages, workers' welfare, and other industrial-political matters in which employers and employees can meet on common ground. The Industrial Committees or Councils when set up will stand as advisers to the Government on all such matters relating to the industry concerned. They will be the means of restricting the necessity for Government interference, and will be productive of good in that they will provide self-government within the industry. Many such councils have already been set up in highly-organised trades, and it is an essential principle that the National Council should come first. These national bodies will then delegate to the district councils much of their authority in relation to district business, and the differences which exist between conditions in various works in the same industry will be overcome by the works committee.

Works Committees. Before the advent of the Whitley Report there existed in many workshops, particularly those of the more advanced employers, Standing Committees of employers and employees for the discussion of purely domestic matters; but in few cases had these committees, voluntarily set up, any real control over the conditions of work.

The Whitley Report provides for the creation of an organisation equivalent to the District Council or the National Council, but based on the workshop as its constituency, and the Report recognises that where such Committees are part of the scheme, they should be established on lines agreed upon by the employers' organisations and the Trades Unions represented on the National Councils.

Value of Industrial Councils. Every industry has problems which are peculiarly its own. The troubles of the cotton operative will be quite different from the troubles of the engineer, except perhaps on the question of wages, and these problems can only be solved if the experience of all those who are engaged in the industry is brought to bear upon them. If the various organs of the body each went its own way, discomfort, at least, would no doubt be the result, and as industry becomes more and more an organised whole, the tendency for each grade and section in the industry to travel along its own line must be checked. The various parts of the whole must be in unison, sectional interests must put an end to conflict, and the disagreements of employers and employed, no less than the disagreements between different sections of the employed, must be smoothed over. These are the ends aimed at by the Whitley Committee in its recommendations.

There is no intention to limit the rights of employers and employed to arbitrate on matters of disagreement, there is nothing to limit the Union's right to declare a strike, the whole aim being to provide the machinery which will make for agreeable discussion, and so be the means of preventing the point from arriving at which arbitration or strike becomes necessary.

The aim of the Industrial Councils is to provide for almost continuous consultation between various parties necessary to production in any trade, so that by constant contact of all sections, grades, and interests, the atmosphere of suspicion is dispelled.

The Government has adopted the spirit of the Whitley Report, but it has placed the creation of

Industrial councils on a voluntary basis. Labour has agreed that good can arise out of the Whitley Councils, and there is no doubt that if given their full trial, they will be effective, at least in part, in providing against industrial unrest. For further details the reader is referred to the Whitley Report itself, which can be purchased in pamphlet form from H.M. Stationery Office, Imperial House, Kingsway, London, W.C. 2, for a few pence.

WHOLESALE.—The buying and selling of goods in large quantities, as opposed to retail, which consists in dealing with small quantities only.

WHOLESALE HOUSE, ORGANISATION OF.

The work of the officials of a wholesale firm falls into two main divisions administrative and executive. We will first consider the administrative section, which may be subdivided into three departments—administration department, book-keeping department, and cashier's department.

Duties of Head of Administrative Section. Briefly, we may say that the chief duties of the Head of this section have to do with the incoming mail, special directions being noted on letters before they are passed on to the departments concerned, conferences, the outgoing mail, receiving reports from departmental chiefs, salary questions, and supervision generally.

Administrative Department. This department deals with three main divisions of work—administration, correspondence, and filing. The head of the department—the administrator, or whatever title he is known by—generally assists the head of the administrative section, particularly in dealing with the mail. He will deal with confidential correspondence, will interview applicants for appointments, will keep the necessary staff records. He will be responsible for preparing price lists, prospectuses, stationery, etc., for the printer,

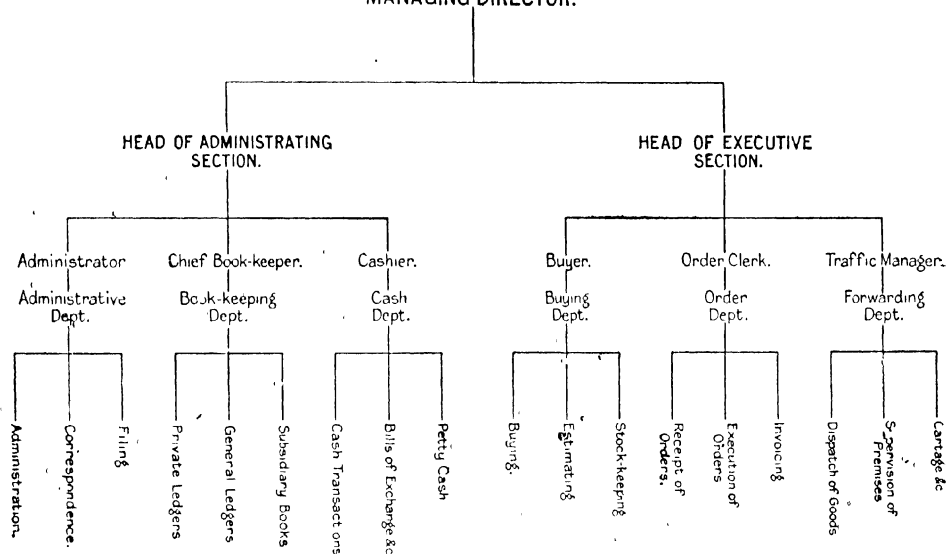
and for maintaining a supply of printed matter and office stationery. The correspondence emanating from this department includes that giving quotations, and negotiating with travellers and agents. Other duties of the administrative department are the dealing with reports and correspondence from travellers, the handing of copies of letters, together with the letters to which they are replies, to the departments concerned (after being noted, these letters are sent to the filing clerk), attending to the outgoing post (a postage clerk will be appointed for this work), the filing of correspondence and documents, etc. (a filing clerk will be responsible for this).

Book-keeping Department. The head of the book-keeping department will be responsible for keeping the private and general ledgers and subsidiary books, and the supervision and control of all book-keeping work. He will deal with any correspondence relating to the book-keeping, will supervise the preparation of financial statistics, and prepare the final accounts. His staff will keep the purchases and sales books, will check all statements received, will post the ledgers, attend to the collection and payment of accounts, prepare and send out periodical statements of accounts, etc. In addition to the ordinary account books, special warehouse books will be in use, these including stock books showing the quantities of incoming and outgoing goods, tabular warehouse books, etc.

Cashier's Department. In the cashier's department such important matters as cash receipts and payments, bills of exchange, and petty cash are dealt with. The chief cashier will be personally responsible for all moneys and documents of value with which he is entrusted. His department receives and pays out all moneys, most of the receipts being the inwards remittances passed on by the

ORGANISATION OF A WHOLESALE WAREHOUSE.

MANAGING DIRECTOR.



postal department. The cash book will be kept in this department, which will also have duties connected with banking matters, credit, etc., and will deal with bills of exchange work, such as the keeping of the bills receivable and bills payable books, arranging for the presentation of bills for payment, etc. The petty cash book—also kept in this department—is for postages and “petties” generally, and thus relieves the principal cash book of unnecessary details regarding small items. There should be a voucher for every item of expenditure, the voucher being given a number which is noted in the petty cash book. It may be mentioned that expenditure on behalf of customers which is afterwards posted to the respective personal accounts in the ledger, is often entered in the petty cash book in red ink in a separate column. It need hardly be said that the petty cash book should be kept on the imprest system.

We will now pass on to our second section—the executive—which may be divided into the buying, order, and forwarding departments.

Duties of Head of Executive Section. The head of this section directs and supervises incoming and outgoing goods, exercises control over the clerical staff and workmen, supervises the warehouse, attends to stocktaking, etc.

Buying Department. The duties of the buyer—the chief of the staff of the buying department—are similar to those of the same official in other classes of business. He has to see to the purchase of goods and materials and to supervise and control the staff of the department. In brief, the work undertaken by the buying department includes the ordering and examination of all goods to be bought, the examination of all goods received, the checking of incoming invoices, the conducting of all correspondence referring to such invoices, the work involved in the placing of contracts, keeping records of suppliers, price lists, market reports, and other documents of usefulness for reference purposes. The stock-keeper will receive all goods and materials and attend to their proper storage and warehousing. He must also not forget to arrange for their insurance against fire.

All inwards invoices, after being checked as regards delivery, are sent to the book-keeping department.

Order (or Sales) Department. This department has to do with keeping the order books, and contract book, and undertakes all correspondence in connection with the execution of orders, and invoicing work. The latter includes the preparation of invoices, the correspondence arising, the taking of copies of invoices for passing on to the book-keeping and filing departments.

Especially in the case of part deliveries against contracts, it is extremely useful to keep a card or loose-leaf record of such. A useful form gives, on one side of the card or form, full particulars of the contract obtained, while the other side may be ruled somewhat as shown below:—

Date of Delivery	Ref. No.	Particulars	Quantity	Balance	Price	Amount of Invoice

Other columns may be added as required. The column for “Balance” is, of course, for noting the number of the particular articles which still remain to be delivered to complete the order.

Forwarding Department. A very important official is the traffic manager, and a really competent man for this post is a good investment for his firm as he can save in the course of a year a very considerable sum on traffic charges. He has to supervise the work of forwarding, cartage, etc., and is responsible for the management of the workmen. His department attends to all the packing, the preparation of goods for shipment—including marking, making out the necessary shipping documents, effecting the insurance of the goods, and negotiating with forwarding agents, railway companies and custom authorities—the cartage of goods, the checking of the time books of workmen, porters, etc. The forwarding department also often attends to matters affecting the supervision of the premises, such as the appointment of caretakers, messengers, etc.

In order to avoid the risk of goods being forwarded to customers without being charged to their accounts, it is very important that there should be some systematic connection between the forwarding and the order departments.

WIGHTJE.—(See FOREIGN WEIGHTS AND MEASURES—HOLLAND.)

WILD CAT COMPANY.—A company which is formed with the object of obtaining money from the public for wild or dishonest schemes.

WILLS.—A will, according to English law, is an instrument by which a person (called the testator) provides for the distribution or administration of his property to take effect after his death. A will is by its own nature revocable by the testator during his lifetime, but speaks and operates as if it had been executed not at the date at which, in fact, it was made, but immediately before the death of the testator, unless a contrary intention shall appear by the will. It operates to dispose of all the real and personal estate to which the testator is entitled at the time of his death. A person may also have a power of willing property to which he is not himself entitled, *e.g.*, when he has, under a will, or settlement, or other document, a power of appointment by will over property which he himself does not possess. A testator may, in England, dispose of his property as he wishes, without regarding the natural claims of his wife or children; he may, *e.g.*, give one child practically everything and “cut off another with a shilling,” or give him nothing at all.

A will may be conditional. Where a will is made in terms subject to the happening of a certain event, that event must occur to render the will operative; whereas, if the possibility of an event happening is stated merely as the reason for making the will, it becomes operative whether the event happens or not.

It must be remembered that a will dealing with real property, that is, of fixed and immovable property (including leaseholds), is governed generally by the law of the place where the property is situated. The place where such a will is made and the language used are of little consequence, but the execution must be in the form required by the law in force in the country where the property is. Thus a will made in Russia, in order to operate on land in England, must be attested and executed according to the law of England, and must contain words which, when translated into English, would include

and transfer the land in question. A will to pass real property in England must be executed in accordance with the provisions of the Wills Act, 1837, i.e., it must be in writing, and signed at the foot or end thereof by the testator, or by some other person in his presence and by his direction; and such signature must be made or acknowledged by the testator in the presence of two or more witnesses present at the same time, and each witness must attest and subscribe the will in the presence of the testator; but no form of attestation is essential, though it is advisable. It follows, therefore, that if a person is possessed of real estate in other countries than England, for example, in France or Germany, he must make a separate will in accordance with the forms required by each country, in order to deal with any real property situated elsewhere than in England. It should be borne in mind that Scotland and Ireland are for legal purposes foreign countries.

A will, even if made under a power, must be executed as prescribed by the Wills Act, and if so executed will be deemed to comply with the power, whatever formalities the power may direct.

Where any real estate is devised without any words of limitation, the devise passes the whole estate of the testator, unless the will shows a contrary intention. It is otherwise in the case of a deed, e.g., a devise of Blackacre to A passes the fee simple to A, while a grant by deed would only give A a life estate, unless such words of limitation as to "A and his heirs" or to "A in fee simple" were used.

As to a will of personal estate, that is, of movable property, the law of the country in which the testator is domiciled, or has his permanent home, at the time of his death, prevails as a general rule; and it is, therefore, generally sufficient if a will is executed according to the formalities required by the country of the domicile. By Lord Kingsdown's Act, which was passed in 1861, it is provided that a will made out of the United Kingdom by a British subject, whatever may be his domicile at the time of making the same or at the time of his death, shall, as regards personal estate, be held to be well executed if it is made according to the forms required either by the law of the place where the same was made, or by the law of the place where such person was domiciled when the same was made, or by the laws then in force in that part of the British dominion where he had his domicile of origin, and that every will made within the United Kingdom by a British subject, whatever may be his domicile at the time of making the same, or at the time of his death, shall, as regards personal estate, be held to be well executed if it is executed according to the forms required by the laws for the time being in force in that part of the United Kingdom where the same is made. For example, if a British subject is residing or staying temporarily abroad, he can make a will as to his personal property either in the above-named English form or in the form in vogue in the country where he is residing, or in the form of the country where he is domiciled, or in the form of that part of the British dominions where he had his domicile of origin. (See DOMICIL.)

The forms required for making a will in the following foreign countries are regulated, in some part, with modifications, by the Code Napoleon. In France, Belgium, and Italy a will can be holograph, or by public act, or by secret form. A

holograph will to be valid must be written entirely by the testator, and dated and signed by him. No other formality is required. A will by public act is one which is received by two notaries in the presence of two witnesses, or by one notary in the presence of four witnesses. If it is received by two notaries, it must be dictated to them by the testator and be written out by one of the notaries, whichever is selected. If there is only one notary, it must be in like manner dictated by the testator and written out by the notary. In either case it must be read throughout to the testator in the presence of the witnesses, and it must be signed by the testator and by the witnesses. Neither legatees, nor their relations, nor relatives by marriage to the fourth degree, nor clerks of the notaries employed, are capable of being witnesses. A secret will may be written by the testator or by some other person, but it must be signed by the testator himself. The paper which contains the dispositions or the envelope in which it is placed must be closed and sealed. The testator must present it so closed and sealed to a notary and six witnesses at least, or close and seal it in their presence, and declare that it contains his will written and signed by him, or written by some other person and signed by him. It is the duty of the notary to subscribe the document, his subscription being on the paper, or on the leaf which serves for the envelope, and the subscription must be attested by the witnesses. The witnesses must be males, of full age, and citizens in full enjoyment of civil rights.

In Spain, a will can be holograph, public, or secret. A holograph will must be on paper, stamped with the year of its manufacture, and wholly written and signed by the testator, with the date on which it is made, and it must be presented to a judge of first instance of the last domicile of the testator, within five years of that date. If this last formality is not complied with, the will is invalid. Foreigners can make a holograph will in the language of the country to which they belong. There are also regulations as to the presentation of the will to a judge after the death of the testator. A public will must be received by a notary in the presence of three witnesses, one of whom must be able to read and write, and who must see the testator. The testator is required to make a declaration of his last wishes to the notary. The will, with the statement of the place and date, is then read aloud, and the testator must declare that it is conformable to his wishes. The document is then signed and attested by those of the witnesses who are able to read and write, and the notary must make a declaration to the effect that the testator is capable of making a will. A secret will is made with the same formalities as in France, except that only five witnesses are required, of whom three must sign. The remaining formalities are in the province of the notary. Women, minors, strangers, blind persons, mutes, deaf persons, those who do not understand the language of the testator, persons incapacitated by law, and writers, clerks, servants, and relations of the notary to the fourth degree, and relatives by marriage to the second degree, cannot be witnesses. In a public will the devisees and the legatees cannot be witnesses, nor their relations to the fourth degree, nor relatives by marriage to the second degree.

In Germany, a will can be made in common form before a judge or a notary, or by a testament written and signed by the testator, with a statement of

[FACSIMILE OF A WILL]

THIS IS THE LAST WILL AND TESTAMENT of me Joseph Brown of No. 895 Rainbow Road Maida Vale in the County of London Retired Grocer I REVOKE all prior wills and codicils heretofore executed by me and declare this to be my last will and testament I APPOINT John Smith of Hill House Sefton in the County of Whithshire Chartered Accountant and Alfred Robinson of Mount Pleasant Hall Hingham in the County of Blankshire Solicitor to be the executors and trustees hereof I BEQUEATH to my wife Emily Jane Brown absolutely all the household furniture plate linen china glass books pictures prints musical instruments wines provisions and other household effects and also all my carriages and horses belonging to me at the time of my death and a legacy of £1000 to be paid to her out of the first moneys coming to the hands of my executors I BEQUEATH the following legacies that is to say To each of my executors £250 as an acknowledgment for the trouble of executing my will To Susan Jones my sister the widow of the late James Jones of 856 Strand in the County of London Jeweller £500 and to my sister Mary Brown of 315 High Street Brinktown in the County of Midshire £1000 AND as to all the rest of my estate and effects both real and personal I DEVISE AND BEQUEATH the same unto my said trustees UPON TRUST to sell and convert into money my said real and residuary personal estates or such parts thereof as shall be of a saleable or convertible nature and to get in the other parts thereof AND I direct my trustees to hold the moneys to arise from such sale conversion and getting in and any ready money I may die possessed of UPON TRUST therout in the first place to pay the expenses incidental to the execution of the preceding trust and my debts and funeral and testamentary expenses AND in the next place to pay the pecuniary legacies herein-before bequeathed and to invest the surplus of the said moneys AND upon further trust to pay the income of the said moneys and investments to my wife Emily Jane Brown during her life if she shall so long continue my widow AND from and after her death or future marriage as to as well the capital as the income of the said moneys and investments UPON TRUST for such of my children as being sons shall attain the age of twenty-one years or being daughters shall attain that age or be married under that age such children if more than one to take in equal shares BUT I DECLARE that the share of each daughter shall be retained by my trustees and held by them UPON TRUST to pay the income thereof to my daughter entitled thereto for her separate use during her life without power of alienation or anticipation AND from and after the death of my same daughter as to as well the capital as the income thereof UPON TRUST for all or any one or more of the issue of my same daughter in such proportions and for such interests to be absolutely vested within twenty-one years from her death as she whether covert or discover shall from time to time by deed with or without power of revocation and new appointment or by her will appoint BUT no child in whose favour or in favour of any of whose issue an appointment shall be made shall participate under the trust next hereinafter contained in the unappointed portion of the said settled fund without bringing the benefit of such appointment into hotchpot AND in default of appointment or subject to any partial appointment IN TRUST for the children of my same daughter who shall being sons attain the age of twenty-one years or being daughters attain that age or be married under that age such children if more than one to take in equal shares AND if there shall not be any child of my same daughter who being a son shall attain the age of twenty-one years or being a daughter shall attain that age or be married then IN TRUST for such persons for such interests and generally in such manner in all respects as my same daughter shall by will appoint AND in default of appointment or subject to any partial appointment IN TRUST for the persons who at the death of my same daughter shall be of kin to her and who under the statutes for the distribution of intestates' effects would be entitled to her personal estate if she were dead a spinster and intestate such persons to take in the proportions prescribed by the same statutes AND I EMPOWER my same daughter (notwithstanding the trusts herein contained subsequently to the trust in her own favour) by deed executed either after or in contemplation of her marriage or by will to appoint the annual income to accrue due after her death of the said settled fund or any part of such income to and for the life of any husband of my same daughter who shall survive her I DECLARE that if any son or daughter of mine shall die in my lifetime or if any son of mine shall survive me but die under the age of twenty-one years leaving issue who shall survive me and being male shall attain the age of twenty-one years or being female shall attain that age or marry under

that age such issue shall take and if more than one equally between them the share which their ~~his~~ or her parent would have taken in my residuary estate if such parent had survived me and lived to attain a vested interest therein AND in case no child or other issue of mine shall acquire an absolutely vested interest by virtue of my will then I direct my trustees to hold the said moneys and investments IN TRUST for such persons for such interests and generally in such manner as my wife she continuing my widow at her death shall by her will appoint AND in default of such appointment or subject to any partial appointment IN TRUST for the persons who at the death or future marriage of my wife shall be of kin to me and who under the statutes for the distribution of the personal effects of intestates would be entitled to my personal estate if I were to die intestate immediately after the death or marriage of my widow such persons to take in the proportions prescribed by the same statutes I EMPOWER my trustees to postpone for such period as they shall judge expedient the sale conversion or getting in of my real and personal estates or any part thereof respectively AND I DECLARE that for the purposes of enjoyment and transmission under the trusts herein contained my real estate shall be considered as money from the time of my death AND that the rents dividends interest and other yearly produce of my real and personal estates respectively to accrue due after my death and until the actual sale conversion and getting in thereof shall as well during the first year after my death as in subsequent years be deemed the income thereof applicable as such for the purposes of the said trusts without regard to the amount of such income or to the wasting or hazardous nature of the investments yielding the same AND that as between the capital and income of my estate no appointment of rents dividends or other periodical payments shall take place for or in respect of the period current at my death I DECLARE that so long as any person not under any disability shall for the time being be entitled to receive the income of the trust fund as tenant for life the power to vary investments conferred by statute shall not be exercised without the previous consent in writing of such person I EMPOWER my trustees with the consent of the respective prior life owners if any and if none at the discretion of my trustees to advance and apply any part not exceeding one-half of the capital to which under any of the dispositions hereinbefore contained each or any infant shall be entitled or presumptively entitled in or towards his or her advancement or preferment in the world I DECLARE that the expression "my trustees" used by me in this my will shall be construed as comprising and referring to the trustees or trustee for the time being of my will and that the power of appointing new trustees of my will shall be exerciseable by my wife during her widowhood and after her death or marriage again by the persons and in manner by law prescribed and that the number of trustees of my will may from time to time be varied but so that the number be not greater than four nor (except as a matter of temporary necessity) less than two AND LASTLY I appoint my wife during her widowhood and after her death or marriage again the said John Smith and Alfred Robinson to be the guardian or guardians of my children during minority IN WITNESS whereof I have hereunto set my hand this nineteenth day of January One thousand nine hundred and

JOSEPH BROWN

Signed by Joseph Brown the testator as his last will in the presence of us present at the same time who in his presence and at his request and in the presence of each other have subscribed our names as attesting witnesses

ROBERT MARTIN
86 Bedford Square
London
Solicitor.

THOMAS JOHNSON
86 Bedford Square
London
Solicitors' Clerk,

[N.B.—A will may be printed, typewritten, or otherwise set out as is explained in the text. The signatures of the testator and of the witnesses must be in their handwriting or the will must be otherwise executed as the law permits when there are disabilities in the way.]

the date and place. For the purpose of a will, a judge must have the assistance of the registrar or two witnesses; a notary, a second notary or two witnesses. Relations and relatives by marriage in a direct line, or to the twelfth degree, are incapable of acting as judge, notary, or witnesses. Attestation by legatees avoids their legacies, and minors cannot attest. The testator must declare orally to the judge or the notary his last wishes, and have them put into writing. A statement must be made in the will of the place and date, of the description of the testator and the witnesses, and of the dispositions of the testator. This is read over and approved by the testator and then signed by him. If the testator is unacquainted with the German language, his written wishes must be translated into German by an interpreter. After the execution, the will is sealed by the judge or notary in the presence of the above-mentioned persons and the testator, with the public seal, and deposited in a public registry. A certificate of the deposit is handed to the testator. A return of the certificate by the testator operates as a revocation of the will.

As regards capacity to make a will, formerly a married woman could only dispose by will of her separate estate. A woman who was married before 1883 can still only make a will with the consent of her husband, but if the marriage took place after 1882, a married woman has full power to dispose by will of the whole of the property as if she were unmarried. If she leaves no will, her husband is entitled to the whole of her personal property, if not settled.

The will of a man who was so drunk at the time of making it that he did not know what he was doing is void. The will of a lunatic is usually void, but it will be valid if it is proved that the will was executed during a lucid interval, even though the testator were a lunatic so found by inquisition at the time. And a will may be set aside if it is shown that its execution was obtained by force, fear, fraud, or undue influence.

A minor cannot make a valid will according to English law—the only exceptions as regards age are those of soldiers who are on actual military service and sailors at sea, nor can an outlaw, for he has no legal right to any property whatever; nor can the subjects of a foreign state at war with this country.

Formerly a will of personal property could be made by publishing without writing, but a will of real property had always to be made in writing. A will not in writing is called a *nuncupative* will, but such wills were abolished by the Wills Act, 1837. An exception is made in the case of a soldier on active military service, or a mariner at sea. Either of these may make a will verbally before witnesses, so as to dispose of general estate, but by the Navy and Marines (Wills) Acts, 1865 and 1897, which apply to petty officers of Marines serving in the Royal Navy, the wills of such persons, if intended to dispose of wages, prize money, and effects in the possession of the Admiralty, must be in writing.

Provided there are two witnesses to a will, it is immaterial, as far as the validity of the will itself is concerned, who they are, provided they are under no legal disability. If any person attests a will to whom, or to whose wife or husband, any devise, legacy, or benefit (except charges for payments of debts) is given, the will stands valid; but such devise, legacy, or benefit is null and void, and it makes no difference if there were sufficient

witnesses without the beneficiary. Where a legatee under a will attests it, and the testator afterwards confirms this will by a codicil duly executed and attested by other witnesses, the effect is to entitle the legatee to receive his legacy. A creditor, with the payment of whose debt the property of the testator is charged by the will, or an executor, is a competent witness.

The best witnesses to choose are persons of understanding and credibility, who are wholly unconnected with the will or anything contained in it; it is not advisable to have the executors or trustees as witnesses, even if neither they nor their husbands or wives, receive any benefit under the will.

Although it was pointed out above that no form of attestation is necessary, it is usual and advisable to state that the formalities required by the Wills Act have been complied with. A common attestation clause is the following—

Signed by the said A. B., the testator, in the presence of us, both present at the same time, who in his presence and at his request, and in the presence of each other, have hereunto set our names as witnesses.

The two witnesses sign their names after the testator, giving their descriptions and addresses. If a will has no attestation clause, an affidavit by one of the witnesses will be required after the death of the testator before probate will be granted. If it is impossible to obtain the evidence of the attesting witnesses, e.g., if they are both dead, the court will presume the will to have been duly executed, even if there were no attestation clause.

It is not necessary, to make a will valid, that it should take any special form, or be expressed in words technically appropriate to its testamentary character. It is sufficient if, however unusual in form or however untechnical in its phraseology it may be, it makes clear the intention of the testator respecting the destination of his property after his death.

The commonest grounds on which it is sought to invalidate a will, which is in order on the face of it, are the following: (1) That it was not duly executed according to the Wills Act, 1837; (2) that the testator was not of sound mind, memory, and understanding at the time of executing the will; (3) that he did not know and approve of the contents of the will, and (4) that the will was obtained by undue influence.

No obliteration, interlineation, or other alteration made in any will after execution is valid, except so far as the words or effect of the will before such alteration is not apparent, unless such alteration, etc., is executed in the same manner as is required for the execution of a will; but a will with such alteration, etc., as part thereof is duly executed if the signature of the testator and the subscriptions of the witnesses are made in the margin or on some other part of the will opposite or near to such alteration, or at the foot or end of, or opposite to a memorandum referring to such alteration, etc., and written at the end or some other part of the will.

A will may be altered as well as revoked by a codicil properly executed. The codicil, however, only alters a will so far as it is inconsistent with it. Any slight change in a testator's dispositions should be effected by a codicil, otherwise a fresh will should be made. It is an unwise course to make obliterations, interlineations, or alterations in a will once executed, even if it is re-executed.

A will is always revocable during the lifetime of the testator, even though there is a declaration in it to the effect that it is irrevocable. The revocation is complete if a duly executed subsequent will contains a clause expressly revoking a former will, but the destruction of a testamentary document as the last or last and only will of the testator will not alone have the effect of revoking earlier testamentary papers. Also the will of a man or woman is *de facto* revoked by his or her subsequent marriage, except where it is made in exercise of a power of appointment when the real and personal estate thereby appointed would not, in default of the appointment, pass to his or her heir, customary heir, executor or administrator, or to the person entitled as his or her next-of-kin under the Statutes of Distribution, but no will is revoked by any presumption of an intention on the part of a testator. Therefore, unless there is a revocation by implication of law, as above stated, a will, in order to be revoked, must be burned, torn, or otherwise destroyed by the testator or some person in his presence and by his direction with the intention of revoking the same. If a testator has done everything which he considered necessary to revoke his will, the will is not revoked if he has not adopted one of the methods of revocation pointed out, *e.g.*, writing across a will that it is revoked, and tossing it into the wastepaper basket will not revoke the will if in actual fact the will is not destroyed, nor will the partial erasure of the signature with a knife, nor is it sufficient that a will is destroyed by the testator's orders, if it is not done in his presence. When a will is revoked by destruction, or is cancelled, a codicil to the will is not necessarily revoked.

Revocation while the testator is of unsound mind is ineffective, even if he subsequently recovers. A will left in the possession of a testator who afterwards becomes insane must be proved to have been revoked by him while of sound mind. In all cases, revocation is a question of intention, and if the act done, though in itself sufficient to revoke a will, can be shown not to have been committed for the purpose of revoking, the will will not be revoked. Again, if it can be shown that a will was cancelled with the sole object of making a new will, the original will is not revoked if no new will is executed, nor would the old will be revoked by the new will if the latter is ineffectual, and on the same principle, when the amount of a legacy is obliterated after the execution of a will, and a different amount is written over or interlineated, if the substituted legacy is incapable of taking effect, the original legacy remains. Where there are several testamentary documents which are not inconsistent, they will all together be considered the will of the testator, unless some have been revoked.

No will which has been revoked can be revived except by re-execution, or by a codicil executed in the manner before described, showing an intention to revive it. A codicil (*q.v.*) is generally used to make some change in the dispositions contained in a will, and forms a kind of appendix to the original will. It must be dated, signed, and attested by two witnesses in the same manner as a will. Where a testamentary instrument is revoked by a subsequent instrument, and the latter is in its turn revoked, the former instrument is not thereby revived, *e.g.*, where a testator by his will gave all his property to A, and by a second will gave his real property to B, and then revoked the second

will, it was held that the first will operated on the personal property alone. A will which has been destroyed and no longer exists in writing cannot be revived by a codicil, even if there is a draft of the will in existence.

Where it is known that a will has been made, but cannot be found after the death of the testator, and there is no evidence forthcoming that it has been revoked, secondary evidence is admissible to show what its contents were. Declarations of the testator, made before the execution of the will, whether oral or in writing, are received as evidence for that purpose. It is more doubtful whether declarations of the testator after the execution of the will are admissible in evidence. It must, however, be borne in mind that a will left in the deceased's possession and not forthcoming after his death is presumed to have been revoked, if there is no evidence to the contrary, as there was in the case of the will of Lord St. Leonards, where the contents of a lost will were allowed to be proved by a single witness, whose competency and veracity were unimpeachable, even though the witness was an interested party. Where it is not possible to ascertain the whole of the contents of a lost will, probate will be granted to the extent to which they are ascertained, if the court is of opinion that they practically represent the intentions of the deceased.

A testator occasionally wishes, in making his will, to refer to and include extraneous documents. It should be remembered that it is a rule of law that any papers actually in existence at the date of the execution of a testamentary instrument may be incorporated into it, and be read as if they were part of it, if so clearly referred to as to leave no doubt what papers were intended. A document or paper, however, not in existence at the date of the execution of a will cannot be incorporated into it, nor can a testator reserve by his will a power of making a disposition by any subsequent unattested paper, *e.g.*, a testator cannot direct legacies given by will to his children to be reduced by what shall appear by his books at his death to have been lent by him to them. Such a direction is void, nor can he give to them by will articles which he shall specify in his note-book. A document, however, which was sufficiently referred to in a will, though not in existence at the date of the will, may be incorporated if it exists at the date of a codicil to the will, and a reference in a codicil to an earlier unattested codicil will incorporate the latter.

It may be noted here that if a parent, or a person standing *in loco parentis*, bequeaths to a child a legacy or a share of the residue of his property, and afterwards in his lifetime gives to such child an equal or a less amount than such legacy or share of residue, the bequest will be wholly or *pro tanto* adeemed or satisfied by the later gift. (See ADEMPMENT.)

If a person to whom a legacy is given by the will predeceases the testator, the legacy (*q.v.*) lapses or fails, and falls into the residue, and if there is no residuary legatee, there is an intestacy as to so much of the estate of the testator as is comprised in the legacy. There is, however, an important exception to this rule. If a person, being a child or other issue of a testator to whom any property is devised or bequeathed by such testator, dies in the lifetime of the testator, leaving issue, and any such issue survive the testator, such devise or bequest does not lapse by the death of the devisee or legatee.

in the lifetime of the testator, but takes effect as if the death of such person had happened immediately after the death of the testator. The result of this is not that the issue of the person takes the devise or bequest, but that it passes by the will or intestacy of such devisee or legatee. Similarly, where any person to whom any real estate is devised for an estate tail, dies in the lifetime of the testator, leaving issue who could inherit under the entail, and such issue is living at the testator's death, the devise does not lapse.

The word "children" in a will means, primarily, legitimate children. If, therefore, a testator wishes to provide for children of whose legitimacy there is or may be a doubt, he should identify them by their names or otherwise show by clear words the objects of his beneficence, and not merely describe them as children of A B. This point was, until recently, an important one to be considered, where a man had gone through the ceremony of marriage with his deceased wife's sister, and had a family by her. By reason of the Act of 1907, which permits marriage with a deceased wife's sister, this special point has ceased to be of importance so far as such children are concerned, for they are now legitimate, and the Act is retrospective. In the case of a Jew domiciled in England, a marriage according to Jewish custom, if not valid according to English law, will not be recognised as valid by the English court. In a will the word "children" *prima facie* includes children by a first, and second, and third marriage, and even step-children may benefit under the description of children if it can be gathered from the will and the circumstances that they were intended to take.

By the rule against what is known as "perpetuities," a testator cannot by his will tie up property for a longer period than a life or lives in being, and twenty-one years afterwards (allowance being made for the period of gestation where it actually exists). The effect of this rule is that the income arising from property can be dealt with by leaving the property in the hands of trustees for the benefit of any number of persons, who are alive at the time of the testator's death, in succession, and after the decease of the survivor of them for a further period of twenty-one years, so that at the end of such period of twenty-one years the capital must go to some person or persons absolutely. Again, a will cannot direct property and income to be accumulated (except for the payment of debts) for a longer period than twenty-one years from the death of the testator, or during the minority of any person or persons living at his death, or during the minority of any person or persons who would, if of full age, be entitled to the rents and profits or interest of the property. The rule against perpetuities does not apply to legacies left for charitable purposes which fall under three main heads: (1) Trusts for relieving poverty, (2) trusts for educational purposes, (3) trusts for the advancement of religion. It may be noted here that a gift for the maintenance of a testator's dogs and horses is a valid gift, so is a sum of money to erect a monument to the testator, and a condition imposed upon a legatee during his lifetime to keep the testator's vault (outside the church) in repair is valid, but the above are not charitable gifts.

Previous to 1892, the Mortmain Acts forbade devises of lands to charities (with certain exceptions), but now land, like personal estate, may be left by will for charitable purposes, but it must

in every case be sold within a year of the testator's death, unless an extended period is allowed by the High Court or the Charity Commissioners. Also any personal property directed to be laid out in land for charitable uses need not be so expended, but can be held by the charity as an investment. And the High Court, or the Charity Commissioners, if satisfied that the land left by will to a charity, or directed to be purchased out of personalty, is required for occupation, may sanction the retention or the purchase of it.

A will, of course, speaks from the date of the death of the testator as regards the property disposed of, and not from the date of the execution. For this reason a residuary clause should always be inserted, if the whole of the property is not given expressly to some person or persons. A residuary clause deals with all the rest of the testator's possessions, whenever they fall into his estate, after any particular individuals have been provided for; if this is not done, there will be an intestacy as to any part not dealt with. A simple residuary clause would be: "And the rest of my property I give to A B."

When a testator gives the whole of his property to one person absolutely, it is usual for the testator to appoint him sole executor; but otherwise it is advisable to appoint two or more persons as executors, and it is a prudent course to obtain their consent beforehand. A person, even if he has consented to act before the testator's death, cannot be compelled to undertake the office, as his labours, though honorary, are often arduous, it is a general practice to bequeath a small legacy as a recognition of the work which will be entailed, and for this reason an executor should not be a witness.

Upon the death of a testator, it is the duty of his executors to prove his will, in order to perfect their title to act. This must be done by all the executors appointed, or by some or one of them, power being reserved for the other or others to prove or to renounce. Probate can be taken out after the lapse of seven days from the death of the testator. If the executors intermeddle with the estate, or in any way administer it without taking out probate within six months after the death of the testator, they are liable to a fine of £100 and a percentage on the stamp duty.

For the safe custody of the wills and codicils of living persons, a depository has been provided at Somerset House. The wills or codicils are received at the principal or any district registry, if they are enclosed in sealed envelopes, and forwarded to Somerset House upon compliance with prescribed regulations. These regulations will always be furnished upon application. The fee charged is 12s. 6d.

It is not advisable to make a will of any but the very simplest character without the advice of a solicitor, as expensive litigation is likely to be the result. The following forms are inserted for the help and guidance of those persons who persist in disposing of their property without legal assistance. Unlimited variations are possible even in these simple forms, but whenever such variations are made they ought to be expressed in the simplest language and with the utmost clearness.

Form I. An absolute gift of the whole of the property of the testator to a specified person—

This is the last will and testament of me William Smith of 29 Broad Street Halifax in the county of York grocer. I revoke all former wills and codicils made by me at any time. I devise and bequeath all my real and personal estate unto my daughter Mary

Smith absolutely. And I appoint the said Mary Smith sole executrix of this my will. In witness whereof I have hereunto set my hand this twentieth day of January One thousand nine hundred and
....

Signed by Wilham Smith of 29 Broad Street Halifax as his last will in the presence of us present at the same time who at his request in his presence and in the presence of each other have hereunto subscribed our names as witnesses.

*William Smith.
Thomas Hughes
42 High Street
Halifax
Builder.
John Brown
1 New Street
Halifax
Draper.*

Form II. A gift of furniture, etc., to a wife absolutely, and also a portion of the proceeds of the estate. The remainder to be divided in certain specified ways. It is then advisable to appoint trustees to carry out the provisions of the will—

This is the last will and testament of me A B etc. I revoke all former wills and codicils made by me. I appoint C D of etc. and E F of etc. to be my executors and trustees. I give to my wife G B the whole of my household furniture plate linen books pictures and ornaments in my house at or whatever may be my usual place of residence at my death absolutely. I give all the rest of my property to my trustees upon trust to convert the same into money and to pay and divide the same as follows, namely, one-half to my said wife and the remaining half to and amongst my children living at my death. And I direct that if any one or more of my said children shall die before me leaving issue then the share of any such child or children shall go as if he or she or they had died immediately after me and leaving no will. In witness whereof etc.

(Signature.)

*Attestation clause as before)
Witnesses.*

Form III. A direction to allow the widow to have the use of all the testator's property during her life and afterwards to distribute the same amongst the children of the marriage. Trustees are then absolutely necessary to carry the will into effect—

I, A B of etc. do hereby revoke all wills codicils and other testamentary documents of any kind whatsoever made by me at any time heretofore and do declare this to be my last will and testament. I appoint C D of etc. and E F of etc. to be the executors and trustees of this my will. I give the whole of my property of every kind to my trustees upon trust to permit my wife to have the use of all my household furniture plate linen books pictures and effects during her lifetime. And as to the rest of my property to pay the rents profits and income arising therefrom to my wife during her lifetime on the usual quarter days. And after the death of my wife to sell and realise the whole of my property and effects and pay and divide the proceeds to and amongst my children living at the death of my wife. And I will and direct that if any child or children of mine shall die before the death of my wife leaving issue the share of such child or children shall go and be paid as though he she or they had survived my wife and died intestate. In witness, etc.

(Signature)

*(Attestation clause as before.)
Witnesses.*

(See CODICIL, EXECUTOR, INTESTACY, LEGACY, PROBATE)

WINCEY or WINSEY.—A plain or twilled textile fabric, generally consisting of a cotton warp and worsted weft. It is usually grey or brown in colour. The manufacture is carried on at Perth and Aberdeen, in Scotland. Another name for the same article is linsey-woolsey.

WINDHILLS, WINDMILLS.—Names frequently applied to accommodation bills (*q.v.*).

WINDING UP.—If a joint stock company fails to commence or to carry on its business, the registrar of companies is empowered, by taking a course described elsewhere, to have its name struck off the register of companies as being defunct. (See DEFUNCT COMPANY) Otherwise, the company, like a corporation, is gifted with perpetual succession, and carries on its business until its career is cut short by a process which is called "winding up." The term "winding up" is generally applied to those proceedings which correspond to the bankruptcy of an individual. But this is not exclusively so. If for any reason the company considers that its business ought to come to an end, even though it is perfectly solvent, or if there is a desire to amalgamate with another company, or to reconstruct the company itself, the name "winding up" is applied to the means by which the desired end is to be attained. Whilst its affairs are being wound up, a company is said to be "in liquidation." As the principal points to be observed in the winding up of a company are concerned, in the main, with practice, and as the Companies (Consolidation) Act, 1908, deals with the matter in no less than 153 sections, it will not be possible to do more than give an outline of the proceedings that have to be adopted.

A company cannot be made bankrupt, it can only be wound up. The winding up may be in any one of the following three ways: (a) By the court, (b) Voluntarily by the members, (c) Voluntary but subject to the supervision of the court, which is partly voluntary and partly compulsory. The provisions of the Act of 1908 with respect to the winding up of a company apply, unless the contrary appears, to the winding up of a company in any of the three modes adopted.

The jurisdiction of the courts which can deal with the winding up of joint stock companies is roughly as follows. In England and Wales, if the amount of the share capital of a company, paid up or credited as paid up, does not exceed £10,000, proceedings may be taken in the county court of the district in which the registered office of the company is situated, unless the Lord Chancellor has excluded it from exercising jurisdiction. This does not include the Metropolitan County Courts, which have neither bankruptcy nor winding up jurisdiction. If the capital, paid up or credited as paid up, exceeds £10,000, proceedings must be taken in the High Court, unless the registered office is situated within the jurisdiction of the Chancery Courts of the counties palatine of Lancaster and Durham, in which case these courts exercise the same jurisdiction as the High Court. There is, however, a very liberal right of transfer, either when action is taken in the wrong court or when difficulties of a special kind arise. In Ireland it is the High Court which has jurisdiction to wind up companies, though the proceedings may be transferred to the bankruptcy court which has jurisdiction in the district where the registered office is situated.

There are special rules applicable to Scotland. By section 129 of the Act of 1908,

"A company may be wound up by the court—

"(1) If the company has by special resolution resolved that the company be wound up by the court ;

"(2) If default is made in filing the statutory report or in holding the statutory meeting ;

"(3) If the company does not commence its business within a year of its incorporation, or suspends its business for a whole year ;

"(4) If the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven ;

"(5) If the company is unable to pay its debts ;

"(6) If the court is of opinion that it is just and equitable that it should be wound up."

The second ground above named for winding up by the court was first introduced by the Companies Act, 1907, which was repealed and substantially re-enacted by the Act of 1908.

A company, upon passing a special resolution to that effect, may be wound up by the court for any cause whatever. It is unnecessary to give any reasons. The third and fourth grounds very seldom arise, and the "just and equitable" sixth cause is also rare. What is a "just and equitable" cause depends upon the special fact of each particular case, and it need not necessarily be of the same kind as any one of the preceding ones. The head-note of one well-known case states the general rule as follows—

"A company fraudulent in its inception, carrying on a small business at a loss, having no capital of its own—all the subscribed capital having found its way into the hands of the real, though not the ostensible, promoters—and hopelessly embarrassed by numerous actions brought by shareholders on the ground of fraud, was ordered by the Court of Appeal to be wound up, the court holding that the case was one in which it was 'just and equitable' to make the order, that being the most effective means of recovering for the shareholders the money dishonestly retained by the real promoters." In the same way a company will be ordered to be wound up when its principal object and the substratum of its business have entirely disappeared.

The most common ground, however, for instituting proceedings to wind up a company is its inability to pay its debts. Any creditor whose debt amounts to £50 or upwards may serve a notice upon the company demanding payment of the same. If the company neglects for twenty-one days to pay, cure, or compound for the debt, it is deemed to be unable to pay its debts. The same conclusion arrived at if an execution is levied upon the company and returned unsatisfied. In the words of section 130 of the Act—

"A company shall be deemed to be unable to pay its debts—

"(i) if a creditor, by assignment or otherwise, to whom the company is indebted to a sum exceeding fifty pounds then due, has served on the company by leaving the same at its registered office, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor ; or,

"(ii) If in England or Ireland, execution or

other process issued on a judgment decree or order by any court in favour of a creditor of the company is returned unsatisfied in whole or in part ; or

"(iii) If, in Scotland, the inducement of a charge for payment on an extract decree, or an extract registered bond, or an extract registered protest have expired without payment being made ; or

"(iv) If it is proved to the satisfaction of the court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the court shall take into account the contingent and prospective liabilities of the company."

Proceedings are commenced in the proper court (see above), and if an order for winding up is granted, the business of the company comes to an end automatically, except for the purposes of the winding up. It is always open to the company itself to present a petition for winding up. But this is of rare occurrence. It is generally a creditor, or a number of creditors, by whom the initial step is taken. Subject to what has been already stated, any ordinary creditor whose debt is £50 or upwards can present a petition. Also any judgment creditor not necessarily a judgment creditor for an amount of £50 or upwards, is entitled to do the same. The court, however, does not favour the presentation of a winding up petition by a creditor whose debt is of a small amount, unless the creditor is supported by a large body of the other creditors. There is no rule laid down as to the exact amount below which even a judgment debt should not stand, but perhaps the £50 standard would be considered as proper. There has been a great diversity of practice during the last few years upon this matter, and the few reported cases give very little help. A judgment creditor for, say, £30, should proceed very warily, and never attempt to present a petition unless he is advised to do so by experienced counsel. The court may grant the petition, but it will probably exercise its disapproval by refusing to make any order as to costs, even though it does, in fact, grant the petition. Under certain conditions, and on giving security for costs, a contingent or prospective creditor may petition. In addition to creditors, a petition may be presented by contributories, and any shareholder may petition if the company fails to file the statutory report, or to hold its statutory meeting. A debenture holder may also present a petition, but not if there is a power in the debenture to appoint a receiver, and this has not been done. An order for winding up a company operates in favour of all creditors and all contributories. A foreign company may be wound up if its business is managed in this country.

An application for an order to wind up a company is made by petition, and the petition must be supported by an affidavit setting forth the whole of the facts upon which the petitioner relies. It is then presented at the office of the registrar of companies, who appoints the date and the time for hearing the same. The petition must also be advertised at least seven clear days before the date of the hearing, once in the *London Gazette*, and once also in a London daily morning newspaper, or in such other newspaper as the registrar directs. This applies to a company which has its registered office within ten miles of the Law Courts in the Strand. In the case of a country company, the advertisement must appear in a local paper circulating in the district where the registered office

is situated, in addition to the *London Gazette*.

The object of the advertisement is to give public notice of the intended proceedings, so that the creditors and the contributories who have a right to appear may know what is contemplated. The notice of a winding up petition appears so regularly in the daily newspapers that it is unnecessary to say any more of it here, except that all persons who intend to take any part in the proceedings must give notice of such intention not later than six o'clock on the night preceding the day of hearing.

The commencement of the winding up dates from the time of the presentation of the petition. Before the hearing the court has power, in certain cases, to stay all proceedings. If there is no such stay, the petitioner must satisfy the registrar, at least two days before the hearing, that the petition has been duly advertised, that the affidavit verifying it and also the affidavit of proper service on the company have been filed, and that all the provisions of the rules as to the winding up of companies have been complied with. If these conditions are fulfilled the petition comes on for hearing, and the court, in its discretion, may (a) Dismiss the petition, with or without costs, (b) Adjourn the hearing conditionally or unconditionally, (c) Make an interim order; (d) Make a compulsory winding up order; or (e) Make an order to wind up under the supervision of the court. In arriving at its decision the court will consider the wishes of the creditors and the contributories (*q.v.*), and also the advantages which are likely to accrue from a winding up. In the absence of assets the court would not until a quite recent date make any order, but it has been decided that it is not now entitled to refuse to do so on the ground only that the assets have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

When the order is made, the carriage of it, *i.e.*, the taking of all proceedings upon it, is generally given to the petitioner. If there are more petitioners than one, the judge decides as to which of them it shall be given. The costs of the petitioner, when they are granted, are a first charge upon the assets of the company, other than those which are secured to the debenture holders. In practice one set of costs only is allowed. If a second petition is presented whilst the first petition is on the file, the second petitioner may be ordered to pay the costs incurred by this supplemental petition. After the order for winding up has been made, the judge may, on good cause shown, stay the proceedings. The order automatically puts an end to all actions and proceedings against the company, just as it puts a stop to the business of the company, unless leave is granted by the court to continue them.

In the preceding paragraph it has been assumed that a winding-up order has been made in the ordinary course. It frequently happens, however, that difficult questions arise, and the proceedings may then become extremely complicated. Also it must not be forgotten that when an order is made by the judge exercising jurisdiction in winding up, there is a right of appeal, provided the appeal is brought within fourteen days. But if nothing of this kind occurs, the affairs of the company are placed in the hands of the Official Receiver, who is the Official Receiver in bankruptcy (*q.v.*), and he retains control until a liquidator (*q.v.*) is appointed. His main duties consist in receiving a full statement

of the affairs of the company, and in making a report upon the same. In this report he must further state whether he considers it necessary that there should be a full inquiry into all the matters connected with the promotion, the formation, or the failure of the company, and the conduct of its business.

The Official Receiver acts at first in the same capacity as he acts in cases of bankruptcy, and he holds his position until a liquidator is appointed, the liquidator being a person who corresponds generally to a trustee in bankruptcy. The first duty of the Official Receiver is to summon meetings of the creditors and contributories to determine whether a liquidator should be appointed, and whether it is necessary to nominate a committee of inspection, consisting of such members as may be decided upon by a meeting of the creditors and the contributories (*q.v.*). When no liquidator is appointed by the court, the official receiver acts as the liquidator of the company. If it is decided to appoint a liquidator, some independent person should be named to fill the position, though there is no objection to the secretary of the company being named as liquidator, unless there are suspicious circumstances attached to the proceedings of the company, and the Official Receiver has reported adversely to the company. The liquidator is entitled to be remunerated by a salary or also by a percentage on the assets realised, as the court may direct. The Official Receiver, of course, receives no remuneration beyond his official salary. When once appointed, a liquidator retains his position until he resigns or until he is removed by the court, and in any case of vacancy in the office, the Official Receiver acts again automatically until a new liquidator is appointed. When a person actually acts as liquidator, it is presumed that his appointment is valid. The appointment must be notified to the registrar, it must be advertised, and the liquidator must give the security required. There may be more than one liquidator in a winding up, and in certain cases a special manager may be appointed to assist in doing such things as are necessary for the benefit of the members.

The liquidator takes under his control, or into his custody, the whole of the property and the *choses in action* to which the company is, or appears to be, entitled, and he is, in fact, the person who has taken the place of the company during its winding up and he is described as such in any proceedings which have to be taken in court. But though he is placed in this position of authority, he must throughout act on behalf of the shareholders and render them every possible assistance in regard to the affairs of the company. His powers are very ample, and extend, generally speaking, to all such things as are necessary to end the existence of the company in a fair and equitable manner. He is entitled to prosecute all actions necessary for the recovery of debts, and also to sell or otherwise dispose of the property as he thinks fit. In any case of difficulty he is entitled to apply to the court for direction, and, in the same way, any person who is aggrieved by the acts of the liquidator may seek the court's protection. As in any other business transaction, proper books of account must be kept, and these must be open to inspection. In all his doings the liquidator is under the general control of the Board of Trade, and he is only released from his duties, unless he resigns

or has been removed, under the terms of Section 157 of the Act of 1908, which is as follows:—

“(1) When the liquidator of a company which is being wound up by the court in England has realised all the property of the company, or so much thereof as can, in his opinion, be realised without needlessly protracting the liquidation, and has distributed a final dividend, if any, to the creditors, and adjusted the rights of the contributories among themselves, and made a final return, if any, to the contributories, or has resigned, or has been removed from his office, the Board of Trade shall, on his application, cause a report on his accounts to be prepared, and take into consideration the report, and any objection which may be urged by any creditor, or contributory, or person interested against the release of the liquidator and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the High Court.

“(2) Where the release of a liquidator is withheld the court may, on the application of any creditor, or contributory, or person interested, make such order as it thinks just, charging the liquidator with the consequences of an act or default which he may have done or made contrary to his duty.

“(3) An order of the Board of Trade releasing the liquidator shall discharge him from all liability in respect of any act done or default made by him in the administration of the affairs of the company, or otherwise in relation to his conduct as liquidator, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

“(4) When the liquidator has not previously resigned or been removed, his release shall operate as a removal of him from his office.”

Since he has to realise all the assets of the company, the liquidator, after his appointment, proceeds against all those persons who are indebted to the company, and also against all those who are bound to it in any other way, especially in respect of any amounts which are outstanding upon the shares that have been issued, such shares not having been fully paid up. The persons who are liable to be called upon to pay up any amounts upon their shares are known as contributories (See CONTRIBUTORIES).

It is obvious that great difficulties must often arise as to the duties of a liquidator, and that an appeal must on many occasions be made to the court. The position of the liquidator is sufficiently defined in the article devoted to this official, and for further information reference must be made to the Act of 1908.

In order to have all the assets of the company under his control, it is the duty of the liquidator to collect the whole of the debts due to the company as quickly as possible. He has the right to institute actions for this purpose, but in many cases creditors will most certainly meet the claims due from them without any intervention on the part of the courts. Debts will be due either as trade debts or as moneys due from contributories. In the case of trade debts, it is also possible that there may be debts due from the company itself to some of the debtors of the company. In the settlement of differences, a debtor who is also a trade creditor is always entitled to set off against his own liability as a debtor any debt which is due to him from the company. But

when it is a question of calls (*qv*) due from the creditor to the company, no such set off in the shape of trade debts is possible. All calls must be paid first of all, and then the creditor who is a contributory must prove for his debt. The proof of debts is the same as in bankruptcy, and the liquidator must decide as to the admission or the rejection of the proofs which are sent in to him, but his decision is always subject to any appeal which the creditor may desire to make to the court. Debts of every description must be proved, whether present or contingent, just as in the case of bankruptcy (*qv*), and it is specially provided by the Act that the bankruptcy rules are applicable in the winding up of insolvent companies in England and Ireland, whilst special provision is also made for companies which are domiciled in Scotland. So long as the winding up is in progress, every disposition of the property, including *choses in action* (*qv*) of the company, and every transfer of shares or alteration in the status of its members, made after the commencement of the winding up, is null and void, unless the court otherwise orders. Great difficulties frequently arise, in the case of insolvent companies as in the case of bankrupt debtors, as to fraudulent preferences which have been made just prior to the commencement of the winding up, which it must be recollected dates from the presentation of the petition. All such fraudulent preferences made by a company are null and void, as they would have been if made in the case of a bankrupt individual, and the liquidator is entitled to the benefits of any conveyance, mortgage, delivery of goods, payment, execution, or other act relating to the property. Even a floating charge created under certain circumstances within three months of the commencement of the winding up is also void. The similarity which exists between the procedure in winding up and bankruptcy stops short at one point. In bankruptcy a landlord has a right to distrain within certain limits. In a winding up the right to distrain is expressly excluded by Section 211 of the Act. But this refers only to a distraint after the commencement of the winding up, and it appears that the court will not interfere if a distraint is levied before the date of the commencement of the winding up, though not completed until afterwards.

When the liquidator has collected the whole of the available assets of the company, and has paid all the costs incidental to the proceedings connected with the winding up, he must proceed to distribute the residue, if any, in the following manner. First the rates and taxes due and payable within twelve months prior to the commencement of winding up must be paid. Next, the wages and salaries of workmen employed by the company, limited, in the case of a clerk, to services rendered during the preceding four months and not exceeding £50, and in the case of a workman to two months and £25, are preferred to all other claims (though with special terms applied to the case of a labourer in husbandry), and any sum not exceeding £100 in respect of claims under the Workmen's Compensation Act, 1906, and amending Acts. These preferential claims take precedence over a floating charge but not over a specific mortgage of assets. In calculating the amounts due for service in the case of a clerk or workman, no time is to be taken into consideration after the commencement of the winding up. Just as the death of a master

puts an end to a contract of service (see **MASTER AND SERVANT**), so the winding up of a company equally terminates the engagements of all employees. This rule only applies in the case of a winding up by the court, and not in the case of a voluntary winding up. If the assets of the company are insufficient to pay the above amounts in full, the debts due from the company to them must be diminished proportionately. Also if a landlord has distrained within three months of the commencement of the winding up, he must reimburse the company so as to meet the above charges if the assets are insufficient. All these rules as to preferential payments are the result of numerous Acts, and their provisions have now been collected and brought together in Section 209 of the Act of 1908. After these preferential payments have been provided for, the ordinary creditors of the company are next in order, and their debts are paid proportionately to their claims, if the assets are insufficient to meet the whole. The debenture holders and mortgages occupy a more favourable position. They are what are called "secured creditors," that is, they have a certain portion, or perhaps the whole, of the property of the company set aside for the purpose of meeting their debts, and with this property the ordinary creditors and the liquidator cannot interfere. They can realise their security independently of the liquidator, as is shown in the article dealing with debentures. If the property which has been secured is insufficient to meet the whole of the demands, they can realise their security and then prove as ordinary creditors for the balance of their debts. If, on the contrary, the security realises more than the amount of the debts, with interest and costs, the balance must be handed over to the liquidator. Any residue in the hands of the liquidator after all necessary charges have been met is divisible amongst the shareholders in proportion to their holdings.

The expenses connected with winding up may amount to a very considerable sum, and the assets may easily be expended in costs without any benefit to any of the creditors or shareholders. It is always in the power of the liquidator to propose a scheme of liquidation which may be submitted to the court for its sanction and approval.

When all the affairs of the company have been settled, and the liquidator has made his report to the Board of Trade and been released, an order is made by the court dissolving the company from the date of the order. The order must be reported by the liquidator to the registrar of companies, who must enter in his books a minute of the dissolution of the company. A liquidator who fails to perform this duty, which is his final one in connection with the winding up, is liable to a fine of £5 for every day in which he is in default. Where a company has been dissolved, it is possible for an application to be made, on proper grounds being set out, at any time within two years from the date of the dissolution, to have the dissolution set aside. This statutory enactment is set out in Section 223 of the Act of 1908.

* Before the dissolution the assets of the company will have generally been entirely disposed of. If there are, by chance, any assets remaining, through inability to trace creditors, shareholders, etc., they become the property of the Crown. There remain, however, the books and papers of the company. When a company is wound up by the court, the court itself directs who is to have possession of

the same. These books and papers must be forthcoming, if required, at any time within five years from the date of the dissolution of the company, but after the lapse of that period no person is responsible for the production. In the case of a voluntary winding up the right to the possession of the books is decided by an extraordinary resolution of the company.

A company may be wound up without the intervention of the court, and on its own initiative. This is called a voluntary winding up as distinguished from the compulsory winding up by the court. Various reasons may be assigned for taking such a course. But the principal one is when a company has been formed to carry out a single object and that object has been completed. The proceedings in a voluntary winding up are similar to those in a compulsory one, except that the liquidator is appointed by the company, and the court does not of its own motion interfere with any of the acts that are done. A voluntary winding up takes place, under Section 182 of the Act of 1908—

"(1) When the period (if any) fixed for the duration of the company by the articles expires, or the event, if any, happens, on the occurrence of which the articles provide that the company is to be dissolved, and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;

"(2) If the company resolves by special resolution that the company be wound up voluntarily;

"(3) If the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up."

The commencement of the winding up dates from the time of the passing of the resolution authorising the winding up, and from that moment the company ceases to carry on its business, except in so far as is required to effect a beneficial winding up. The corporate state and powers of the company, however, continue until the company is actually dissolved, that is, proceedings are taken during the voluntary winding up in the name of the company and not in that of the liquidator. The special or extraordinary resolution to wind up must be duly advertised in the *Gazette*.

A resolution to wind up a company voluntarily does not prevent a creditor or shareholder from applying to the court for an order for a compulsory winding up, but the court will require very strong evidence of the rights of a creditor being prejudiced before it will move in the matter.

The Official Receiver (*qv*) does not appear in a voluntary winding up, and the liquidator is appointed by the company. Any vacancy in the appointment must be filled by the company in general meeting. The liquidator must notify his appointment to the registrar of companies, according to the form prescribed by the Board of Trade, within twenty-one days after his appointment. All the powers and rights of the liquidator are of the same extensive nature as in the case of a compulsory winding up. To him is also confided the power of allowing transfers of shares during the voluntary winding up. Although the court is left in the background as much as possible, it is always open to the liquidator or to other parties concerned in the winding up, to apply for assistance or for the determination of difficult questions,

should they arise. But if it is a question as to the removal of a liquidator, only the liquidator himself, a contributory, or a creditor has a *locus standi* in the court. The payment of all claims is made in the same order as in a compulsory winding up, costs, charges, and expenses properly incurred having, as before, a priority over all other claims.

As soon as all the affairs of the company are arranged, the liquidator makes out an account of the winding up, and this is communicated to the company at a meeting specially convened for the purpose, of which due notice must be given. A return as to the holding of the meeting must be made to the registrar within a week, under a penalty of £5 per day payable by the liquidator for every day during which the default continues. The company is dissolved three months after the date of the registration of the return, though it may be resuscitated within two years after the date of its dissolution in the same manner as any other company which has been dissolved. The three months mentioned may be extended if any good reasons are advanced for the extension of this time.

The voluntary winding up of a company does not necessarily prevent a creditor or a contributory from applying to the court for an order for a compulsory winding up. This may or may not be granted, but it is always open to the court to order that the winding up shall continue as it was, but under its supervision. All the usual consequences of winding up follow, as already detailed, and the liquidator is in this position—he may, subject to any restrictions imposed by the court, exercise all his powers, without the sanction or intervention of the court, in the same manner as if the company was being wound up altogether voluntarily. The dissolution of the company follows in the same way as already noticed in the case of a voluntary winding up.

A company which goes into liquidation, and is wound up by the order of the court, may have come to an untimely end by reason of pure misfortune. In some cases, however, it is the mismanagement, the misconduct, and the fraud of the various officials which have led to this result. In the former case the liquidator, or the Official Receiver, if there is no liquidator, will make a report as to the state of affairs, and if no charges of misconduct are made, and if there is no cause for suspicion, the officers of the company are subjected to nothing more than the ordinary examinations which occur in bankruptcy. But if, on the other hand, there is any allegation of serious misconduct or fraud, the whole of the dealings of the company may be inquired into, and the court has power to summon before it any of the officials who are suspected of being connected with such misconduct or fraud, as well as those who can throw any light upon the proceedings. The consequences may be of a most serious nature for all parties concerned.

WINDOW-DRESSING.—One of the latest of modern commercial arts, window-dressing, has not yet reached a stage of formulae or canonical laws. Nevertheless there are already discernible signs of "schools" of window display, and there are skilled exponents of various methods already proved to be successful for individual trades.

Primarily, it must be conceded by the dullest back-street trader that a window, *per se*, is a valuable aid towards business success. When one side

of a street is said to be better for business than the other, and when enormous rentals are asked for business premises in crowded streets, one of the chief of the elements which determine the high commercial value of the site is the opportunity afforded for the display of goods in shop windows.

It is quite astonishing to find in windows, which are worth many pounds per foot per annum, that only the feeblest attempts are made to utilise to their fullest extent the possibilities of profitable window display. It is still more astonishing to find that a builder of business premises takes little or no thought to plan a shop in such a way as to secure to the ultimate occupier the greatest amount of window advantage. Particularly in regard to corner sites are opportunities thrown away. Then, again, doorways are frequently placed in the worst positions, the window openings themselves made of awkward proportions, and unnecessarily difficult to "dress." Hence we can see in all the principal streets throughout London costly alterations undertaken, and all sorts of clumsy compromises effected in order to obviate the shortsightedness of architects who can never put themselves into the position of the retailer whose aim it is to use the window as a means of drawing trade.

The latest of these compromises is the "island" window, in reality a huge glass show case around which the public are supposed to walk; but the device is fatuous and illogical, for the real endeavour should be made to induce the public to walk into the shop.

Other compromises are being effected by reconstructing windows to have very deep returns. Then, again, through faulty initial planning, problems arise of internal window blinds, external shutters, movable iron gates, and sun-blinds, all of which might easily have been devised in the first place to secure the maximum of effect and the minimum of inconvenience.

The approved practice in regard to modern window construction is to have a central doorway the latter being as wide and the return as deep as circumstances permit. In a word, the general effect should be as inviting as possible. The width and height of each separate window should correspond with the needs of the business, but in general should approach the proportion of 100 to 162. Another good proportion is that of the double optical square. The floor of the window should be low rather than high, and there is but little advantage in securing a very great height for the window itself, as more work is involved in cleaning, besides the high initial cost of heavy plate glass. Windows should be so planned to admit of as much light as possible into the shop itself. Artificial lighting may be either from within or without, or a combination of both methods. Bright exterior lighting is a strong point in attracting attention after dark, but with the use of electric light, interior lighting can be made quite as effective. The burning of what are known as "flaming arc" electric lamps in certain thoroughfares in London has also the effect of driving away a certain undesirable class of person, the presence of whom, after nightfall, tends to keep away respectable people. The use of the "Holo-phare" reflectors enables light to be concentrated or distributed in or upon a window according to desire.

Among some minor, yet quite important, details of good window design is the bold fascia with its appropriate lettering, the reasonably prominent

display of the street number, the use of a projecting sign, the choice of a serviceable doormat, the use of a water-trough for dogs, and the provision of an automatic carriage call. The services of a commissionaire or some other attendant in smart uniform is also adopted when circumstances permit, more especially in provincial towns and outside drapery establishments to look after bicycles, etc. With a little thought the use of the sun-blind or awning can also be made a means of drawing attention to the premises.

The interior fittings of a window vary from the simplicity of a polished floor and hangings as used for the effective display of furniture, to the multiplicity of shelves, rods, and trays required by a jeweller. There should be as few fixtures as possible. Movable and adjustable brackets and standards, with an assortment of glass shelves and rods, generally suffice. Grocery windows can be very effectively dressed by the aid of glass shelves merely supported on various articles of merchandise, but when the passing traffic is heavy, care must be taken to guard against the disastrous effects of vibrations.

The window itself and its fittings should always be so planned as to secure good lighting by day or night, facilities for the removal of goods, and ease of cleaning. It is very unwise for a tradesman to endeavour to use the outside of his premises for the storage of boxes, sacks or barrels, although a properly arranged external display of such goods as greengroceries, or the use of a window which opens externally, as in a cheesemonger's or butcher's, is commendable. Absolute cleanliness in the case of all food product displays is indispensable to successful trading, and is even more important than good arrangement.

As to styles of display, by far the most popular are those made on the conglomerate or "miscellaneous assortment" principle. To the skilled modern expert window dresser this method naturally savours of insanity, but, properly understood, there is much method behind this apparent madness. One of the regrettable habits of the modern shopper is a reluctance to venture into a shop on a speculative inquiry. Hence if a woman is in search of a packet of pins, she pretends to ask for them at a shop which demonstrates, by its window show, that such a commodity is to be had within. This is "not a theory, but a condition," and it leads to the process of crowding and overcrowding windows with miscellaneous displays, which in reality have a great interest for the public at large. The point to be observed in this kind of window-dressing is to arrange the best displays near the eye level, or, say, on a shelf about 3 ft. 6 in. from the pavement level, and for the rest, the smaller articles should be placed near the glass and larger articles in the background. Some effort at grouping and mass display can also be made. It is unwise to dress any goods too close up to the glass, except when windows are specially constructed to make such displays effective.

What may be described as the "sample window" leads to some very effective arrangements. In this mode of display the dresser, instead of endeavouring to show "something of everything," selects his leading lines and specimens of representative goods. A bootmaker, for example, will select one or two seasonable lines of footwear, preferably of the kind for which he has built or is building up a reputation, and arrange these on the eye level, paying especial

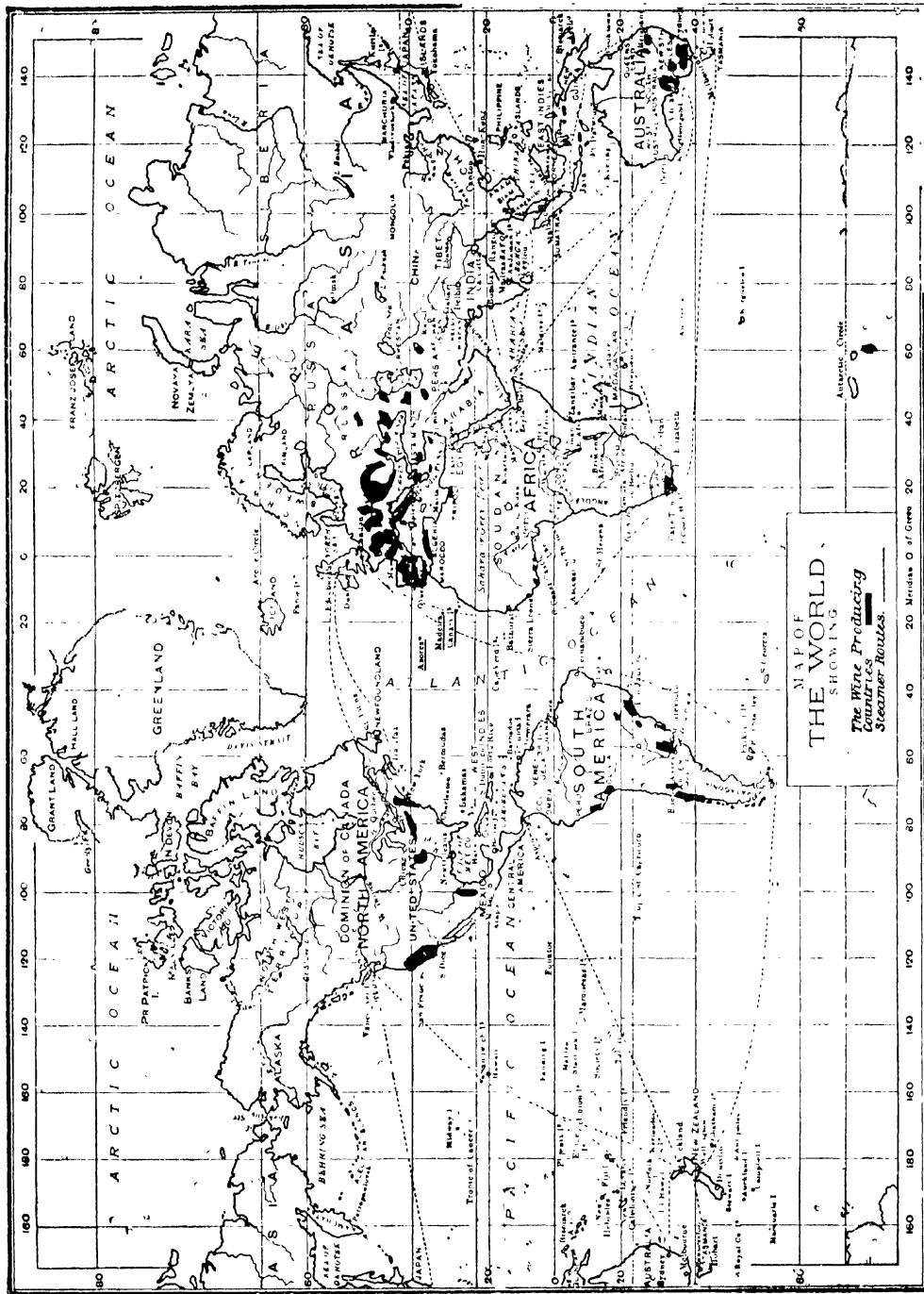
regard to the display of their various points of excellence. In the rest of his space he will show footwear of various kinds, so chosen as to suggest that he has the means of supplying goods suitable for every occasion, and for men, women, and children of all ages. There should be a range of sizes and prices to add to the suggestion of variety, and attached to every article should be a neat and distinctly written price ticket.

Another method of window-dressing calls for the display of a comparatively small number of articles arranged in the best position. A photographic dealer, for instance, will thus show a hand camera prominently, and associate the camera directly with all necessary accessories, such as packets of dry plates, rolls of films, developing dishes, chemicals, etc. Here and there, to fill up, or rather, in the artist's phrase, to "occupy" the vacant spaces, may be placed cards on which appear descriptive matter relating to the merits of articles, while in the background specimens of pictures taken by the camera can be shown. In such a window as this there is a definite attempt made to sell a definite article, and the display is made particularly interesting to those interested in the articles.

A window-dresser must not be content merely to make an attractive show; he must also aim at making a good selling show. The window's main function is to introduce the buyer to the goods, and the introduction must be accomplished in such a way as to make the sightseer desire to purchase. Mere appearance and symmetry are useless unless they lead to sales.

One of the surest means of attracting a crowd around a window is to display something that moves, but in London, unfortunately, and in a few big cities, the police will not permit a tradesman to attract too large a crowd. A window demonstration, either by means of a living demonstrator, such as a chef preparing foods, or the use of some mechanical means of showing the good points of an article, can always be made to pay for itself many times over. Educational displays, as, for instance, a row of bowls showing such an article as coffee in various stages of growth and treatment, are also good. Such a demonstration as the running of a stream of water over a waterproof garment is most convincing. Care should be taken in arranging a display of the moving or demonstrating order to draw attention to the real selling point. For example, with an intention of appealing to the buyer's sense of patriotism, and with an idea of exploiting the demand for all-British goods, traders have of late made prominent displays of red, white, and blue ribbons, flags, etc., but unless these are the articles actually on sale, such displays are apt to drive attention right away from the goods. So also the display of plants and flowers amongst the goods in a window does not help sales, and such things should be used in quite a subordinate way, merely as decorations.

Nowadays it is the custom for many firms controlling widely advertised articles to offer prizes or other rewards for the display of their particular goods. Such competitions have been found in many cases to stimulate trade. Then again, the promotion of a "shopping week" can be taken advantage of, but the habit of local committees to offer prizes to window dressers does not lead to the best results. It is better to arrange that the prizes shall go to the public as a reward for looking at the displays. In some recent shopping weeks such prizes have



been offered for the discovery of missing words, etc., displayed on tickets in windows throughout the districts, and prizes have also been offered to school children for the best essays on the contents of the windows.

A word, in conclusion, may be said about price tickets. All goods displayed should be ticketed with the price, and, where circumstances permit, with some brief descriptive and commendatory wording. Such phrases as "superior quality," "smart," "fashionable," "new," etc., should be avoided as hackneyed, meaningless, and often inappropriate.

WINDWARD ISLANDS.—The West Indian Windward Islands include the British Colony known as the Windward Islands (comprising Grenada, St. Vincent, St. Lucia, and the Grenadines, belonging partly to Grenada and partly to St. Vincent), Barbados, Tobago, and Trinidad.

THE BRITISH WINDWARD ISLANDS

Grenada, the seat of government of the Windward Islands, is the most southerly of the group, and lies about 90 miles north of Trinidad. It is 21 miles long and 12 miles broad, and covers an area of about 133 square miles. The population is estimated at 74,000. The island is very mountainous, and its scenery rugged and picturesque. Cocoa and nutmegs are the staple products. Sugar is grown for local consumption, and other products include tobacco, coffee, kola nuts, tropical fruits, sweet potatoes, and cotton. *St. George* (5,000), the capital, is situated in the south-west, and has a fine harbour.

St. Vincent lies 98 miles west of Barbados, and is 18 miles long by 11 miles broad. Its area is 150 square miles, and its population is estimated at 50,000. A central ridge of volcanic mountains crosses the island from north to south, varying in altitude from 2,500 to 4,000 ft. East and west of this backbone there is a succession of fertile and well-watered valleys running to the sea. The chief productions are sugar, rum, cotton, cocoa, spices, arrowroot, tropical fruits, ground nuts, and timber. The capital is *Kingston* (4,000) in the south-west, which possesses a fine harbour.

St. Lucia lies 21 miles to the north-east of St. Vincent, and is 24 miles long by 12 miles broad. Its area is 233 square miles, and its population 54,000. St. Lucia is the largest of the Windward Group, and is very mountainous. The central backbone of hills is buttressed by ridges gradually sloping down to the sea in all directions, and having narrow valleys between them. The chief productions are sugar, logwood, cocoa, kola nuts, vanilla, cotton, limes, and indiarubber. *Castries* (6,000), the capital, possesses one of the finest harbours in the West Indies, and this, combined with its coaling facilities, is making it one of the most important shipping ports of call in the West Indies. *Soufrière* is a small port on the north-west.

The Grenadines are a line of small islands, extending between St. Vincent and Grenada. *Carriacou*, *Union*, and *Mustique* belong to Grenada, and *Bequia* belongs to St. Vincent. *Carriacou* is the most important.

The chief exports of the Windward Islands are sugar, cocoa, spices, cotton, kola nuts, arrowroot, rum, molasses, tropical fruits, ground nuts, ginger, vanilla, and logwood. The chief imports are textiles, food-stuffs, machinery, and iron goods. Most trade is with the United Kingdom, the United States, and Canada.

Mails are despatched once a fortnight via

Southampton, and also at other times via the United States, if letters are so indorsed. The time of transit is from twelve to fourteen days.

For map, see WEST INDIES.

WINE.—A general name for the alcoholic beverages obtained from various fruits, etc. In commerce, the word is usually restricted to the fermented juice of the grape, from which all the choicest wines are prepared. The juice, technically called "must," is a thick fluid, consisting of a complex mixture of sugar and other substances. The process of fermentation requires great care, as the quality of the wine depends upon it. A fruity wine is produced by stopping the fermentation before all the sugar has been converted into alcohol, while a dry wine is the result of complete conversion. Sparkling wines are caused by bottling the liquid during fermentation. Wines owe their colours to the colouring matter in the skins of the grapes, or to the artificial colouring matter added. Cream of tartar (*qv*) and tartaric acid (*qv*) are prepared from the residue left in the fermentation vats when the wine is run off. The flavour and bouquet of wines vary with climate, soil, grape vine, and general treatment both of the fruit and the juice. Fortified wines are those to which alcohol has been added, while the natural wines are those which have not been so treated. The most important varieties are dealt with under their respective headings.

The wine-producing countries of the world are shown on the map given as an inset.

The vine is native to eastern Europe and western Asia, but other species are natives of North America. In the eastern Mediterranean it was one of the first plants to be cultivated, and it has now been carried to all suitable climates. There are many varieties, all of which require a long warm dry summer for the maturation of the grape. The northern limit of the vine is fixed by this consideration. Drought in summer is not harmful since the long deep roots of the vine draw moisture from the subsoil. Southward facing slopes are very favourable sites for vineyards for they drain well and have plenty of sunshine. Hence the predominance of vine cultivations in river valleys. Soil is also a factor of importance for the vine requires ground that is fairly retentive of moisture but never becomes waterlogged. The plants being leafless in winter are not injured by frost. The vine seems very susceptible to the attacks of certain plant and animal diseases. *Phylloxera*, an insect pest, ravaged the vineyards of many parts of France some thirty to forty years ago, with the result that the American vine, being less liable to attack, was introduced to redeem the wine industry from collapse. The American vine proved so fruitful that there was for some years a tendency to overproduction of wine. *Phylloxera* occurs, but is now under control, in Australia and South Africa.

The vine is now cultivated principally, but not solely, where the Mediterranean climate obtains. The names of wines are derived as a rule from the localities of manufacture, such as champagne, bordeaux, or clarets, rhine wines, port, madeira, etc. Variations of climate and soil, local skill, and methods of manufacture account for the differences in wines. The vintage changes in quality from year to year. France and Italy are the greatest producers of wine. Spain, Austria, Hungary, Algeria, Portugal with Madeira, and Germany are considerable producers.

• **WIRE**.—The manner in which wire can be drawn depends upon the property of ductility possessed by the metal. Gold is the most ductile, and lead the least ductile of metals. Wires are largely made of copper, brass, iron, steel, aluminium, and of alloys, such as iron-aluminium, copper-nickel, etc. Wire ropes have practically taken the place of cables and chains for all kinds of heavy work. Very strong steel wires are used for pianos, springs, etc., copper wire is made in tremendous quantities in Great Britain for cables and dynamos for electrical work, extremely fine platinum wire is used for scientific instruments. Wire is also universally employed for telegraphic and telephone apparatus, and in the manufacture of wire-netting, barbed wire, etc.

WIRELESS TELEGRAPHY.—Under the Wireless Telegraphy Act, 1901, no person may establish a wireless telegraph station or instal or work any apparatus for wireless telegraphy in any place in the British Isles or on board any British ship in the territorial water abutting on the coast of the British Isles except under a licence granted by the Postmaster-General.

By an Order in Council dated the 29th February, 1908, the provisions of the Act were extended to British ships on the high seas.

Under the Defence of the Realm (Consolidation) Regulations, 1914, no person may, without the written permission of the Postmaster-General, make, buy, sell, or have in his possession or under his control any apparatus for the sending or receiving of messages by wireless telegraphy, or any apparatus intended to be used as a component part of such apparatus.

Wireless telegraphy is defined to mean any system of communication by telegraph without the aid of any wire connecting the points from and at which the messages or other communications are sent and received.

Any person contravening the Act or Regulations renders himself liable to serious penalties.

For details of the post office wireless service, see the articles on CABLES AND CABLEING and RADIO-TELEGRAMS.

WITHOUT ENGAGEMENT.—A term sometimes used by merchants when quoting the price of certain articles which are liable to sudden fluctuations in the market. It means that the quotation given is the market price of the day, but the mere act of giving it does not constitute any binding agreement to accept an order at that price.

WITHOUT PREJUDICE.—(See PREJUDICE, WITHOUT.)

WITHOUT RECOURSE.—If the drawer or any indorser of a bill of exchange adds these words to his signature, he thereby cancels his own personal liability to any subsequent holder of the bill in the event of its nonpayment. But an indorser who has adopted the words "without recourse" does not clear himself from liability if any signature prior to his own should prove to be a forgery.

The Bills of Exchange Act, 1882, provides that the drawer of a bill, and any indorser, may insert therein an express stipulation (1) negating or limiting his own liability to the holder, or (2) waiving as regards himself some or all of the holder's duties. (See DRAWER, INDORSER.)

Instead of the English words "without recourse," it is not uncommon to find the French equivalent expression used, viz., "sans recours."

WITHOUT RESERVE.—A term often used in sales by auction, signifying that the goods which

are offered for sale will be sold absolutely to the highest bidder. The law upon the subject was thus stated by Baron Martin: "The sale was announced by the auctioneers to be without reserve. This, according to all the cases both at law and in equity, means that neither the vendor nor any person in his behalf shall bid at the auction, and that the property shall be sold to the highest bidder, whether the sum be equivalent to the real value or not. We cannot distinguish the case of an auctioneer putting up property for sale upon such a condition, from the case of the loser of property offering a reward, or that of a railway company publishing a time-table stating the times when, and the places to which, trains run. It has been decided that the person giving the information advertised for, or a passenger taking a ticket, may sue as upon a contract with them. Upon the same principle, it seems to us that the highest *bona fide* bidder at an auction may sue the auctioneer as upon a contract that the sale shall be without reserve."

WOAD.—The woad plant, the *Isatis tinctoria*, is a native of the Mediterranean countries. It was much grown in Great Britain before the introduction of indigo (*qv*) for the sake of the blue dye obtained from it. It is now mixed with indigo to facilitate fermentation, and is still cultivated in Lincolnshire for this purpose.

WOLFRAM.—(See TUNGSTEN).

WOOD.—The chief varieties of timber used for commercial purposes are dealt with individually.

WOOD NAPHTHA.—(See PYROXYLIC SPIRIT.)

WOOD' PULP.—A pulp obtained from wood fibre, either by mechanical or by chemical means. The chemically prepared variety is far superior. The pulp is obtained from the pine tree, and is sent out either loose in boxes or pressed into sheets and packed in bales. It is much used in the manufacture of paper (*qv*). Norway and Sweden are the chief exporting countries.

WOOL.—This is, next to cotton, the most important of all fibres. The soft, hairy coverings of the alpaca (*qv*), the Angora goat (*qv*), and the camel are much used for the manufacture of woollen goods, but sheep's wool is by far the most common raw material, the long variety being used for the production of worsteds, while the short is used for woollen fabrics. The shorn fleeces are first scoured and dried, and then combed, if long, and carded, if short. The subsequent processes are too numerous to mention here. They include spinning, manufacturing, dyeing, and finishing. There are some well-known European wools, *eg.*, Silesian, Southdown, and Cheviot, but the greater portion employed for textile purposes is imported from Australia, New Zealand, South Africa, India, and South America. The great centres of the woollen industry in England are Leeds, Huddersfield, and Bradford. The manufacture is also extensively carried on in Scotland, in the West of England, and in Belgium, France, Germany, and the United States. London is the greatest wool market of the world, and a large proportion of the wool imported is for re-exportation.

WORKING CAPITAL.—The working capital of a business is the amount available for conducting its operations after it has been equipped in such a manner as to be in the condition desired in regard to fixed assets. The actual amount of working capital available may decrease considerably from time to time, as not only may

some portion of the capital be sunk in adding to the equipment, but may be drawn out of action as working capital by being locked up in a floating asset, to a certain extent permanently. This takes place in such items as stock which cannot be easily realised, and book debts which cannot be collected except by allowing a very long period of credit. Thus, unless a trader is in a strong position as regards available working capital, he may bring about his own failure through lack of care in these directions no less than through want of control over those matters which exhaust working capital permanently, such as exorbitant expenses, etc., leading to losses on his business operations.

• **WORKING PARTNER.**—(See ACTIVE PARTNER.)

WORK IN PROGRESS.—When a factory undergoes the process of stock-taking at the end of its financial year or other period, it is also necessary to assess the amount represented as being expended on such work or works as may be in process of completion, in order that the concern may be in a position to gauge more accurately the amount of its net output, which is arrived at by adding the amount of work in hand at the commencement of the period under review to the amount of finished work turned out during that time, deducting the amount of work in progress at the end. The manner by which this would be shown in a "manufacturing or productive" account (*qv*) will be as shown below.

The balance or prime cost of the articles produced will be debited to the trading account, in which the stock of manufactured goods would appear, though in some cases this may be kept under the factory account.

To arrive accurately at the correct amount to be taken into the accounts at the proper time for work in progress, the existence of a proper system of cost accounts working in connection with adequate stock and store ledgers, is a *sine quâ non*, without such organisation it is not possible to state what amount has been expended upon work in various stages of completion. But where an up-to-date and efficient administration exists, it is a comparatively simple matter to take an inventory of such jobs as are passing through the factory which have not arrived at the completion stage, and are not in a condition to be taken into account for trading purposes. For every work order issued from the office, it should be possible to state precisely what amount of labour has been expended upon it, and the value of raw materials issued from the stores. To the amount of labour must be added the item of oncost (*qv*) arrived at by a ratio of percentage to wages; this will give the prime cost of the work up to the desired time. No profit in any form should be added, as it is usual to take work in progress into account *at cost* in the same way as stock-in-trade. To facilitate labour in preparing a statement of work in progress, it is merely necessary to tabulate the particulars of each work order giving the amount of labour against each and the material

consumed at the date of stock-taking, it is then only necessary to add the oncost to the total of wages extracted; if any particular job requires investigation, it could be singled out. It is very essential that the work in this connection should be carried out systematically and in such a way as will enable the auditors to investigate and verify easily the figures arrived at, as in all probability they will satisfy themselves on this point. (See COST ACCOUNTS, COSTING.)

WORKING ACCOUNTS.—A working account is an account drawn up to ascertain the working, or gross, profit arising from some industrial enterprise, either productive or non-productive. In productive enterprises, such as mines, quarries, plantations, newspapers, etc., a working account corresponds very closely to the cost of production account of a manufacturer. In non-productive enterprises, such as canals, steamships, railways, hotels, etc., a working account is similar to a revenue account or income and expenditure account, and sometimes also to a trading account. The term "Working Account" is merely a general designation, specific titles being in use in certain cases.

It is quite impossible to be exhaustive, but the following selected examples (shown on page 1764) will amply repay careful attention.

Example No. 2 is also called a "Crop Cost Account." Similar accounts are drawn up on tea, coffee, cocoa, cotton, and rubber plantations.

WORKMEN'S COMPENSATION.—The unsatisfactory state of the common law as to liability for injuries sustained by workmen led to a long period of agitation on the part of the workers to improve their lot. The principle of *actio personalis moritur cum persona* (*qv*) was a disastrous thing when one of the parties died before an action for damages for negligence was tried, even though the case of negligence was absolutely clear, and an employer was always able to put in a defence on the off-chance that the doctrine of law might assist him if the delay was only long enough. This doctrine, as is shown elsewhere, was practically destroyed by Lord Campbell's Act, 1846 (*qv*), and an action for damages for negligence was maintainable by the dependants of the deceased, just as he himself would have been entitled to pursue his remedy if he had survived. Again, until 1881, stating the matter quite broadly, no master was liable for any injury sustained by an employee unless negligence could be brought home to him personally or through an agent, and, even in the latter case, if the agency was of a limited character, the master might easily escape owing to the fact that the agent had exceeded his authority. A reference to the article on EMPLOYERS' LIABILITY will show how this state of the law was altered to a considerable extent. But it did not go on enough in certain respects, especially as regarded the doctrine of common employment (*qv*), and the right of contracting out of the Act. All this has now been completely changed by the legislation of 1897, 1900, and 1906.

• **Manufacturing Account.**

	£	s.	d.
To work in progress at commencement	1,000	0	0
„ Wages, Materials, and Power	10,000	0	0
	£11,000	0	0

	£	s.	d.
By Work in Progress at close	1,500	0	0
„ Balance, being production at factory cost	9,500	0	0
	£11,000	0	0

Example 1—

THE SCOTIA GOLD MINING COMPANY, LTD.

Dr				Cr.			
Mine Working Account.							
To Ore Extraction—	£	s.	d.	By Bullion A/c	£	s.	d.
Expenses of Mining	43,278	9	2	„ Tailings A/c	257,356	14	6
„ Reduction of Ore—					2,306	4	10
Milling	17,605	13	7				
Concentrating	10,987	6	8				
Cyaniding	45,703	12	10				
Tramming	5,196	8	3				
„ Concession Rents paid	700	—	—				
„ Royalties paid	3,617	16	5				
„ Prospecting Expenses	1,134	2	6				
„ Claim Expenses	1,856	11	9				
„ Wages at Mine	4,178	13	6				
„ General Charges at Mine	2,615	4	11				
„ Mint and Bank Charges on Bullion	1,562	10	4				
„ Depreciation of Works, Machinery, and Plant	5,956	13	7				
„ Balance (Gross Profit)	115,269	15	10				
	£ 259,662	19	4		£ 259,662	19	4

Example 2—

DAWSON TOBACCO PLANTATIONS, LTD.

Dr				Cr.			
Plantation Working Account.							
To Plantation Wages	£	s.	d.	By Proceeds of Sale of Tobacco	£	s.	d.
Planting	13,308	15	5		62,916	15	3
Manufacturing	4,622	3	6				
„ Plantation Salaries—							
European Staff	7,234	6	7				
Native Overseers	2,138	5	8				
Native Watchmen	942	13	6				
„ Coolie Expenses (Brokerage, Passage Money, etc.)	3,024	2	11				
„ Hospital Working Expenses	1,035	13	5				
„ Transport Expenses	1,041	5	3				
„ General Plantation Expenses	1,017	4	8				
„ Stable Expenses	625	8	6				
„ Loss (by death) of Advances to Coolies	540	3	6				
„ Wastage of Live Stock (Ponies, Bullocks, etc.)	526	12	4				
„ Commission on Sale of Tobacco	3,316	9	2				
„ Repairs, Renewals, and Depreciation—							
Railway	156	8	3				
Steam Locomotives, etc.	391	15	1				
Loose Tools	350	10	4				
Pier, Wharf, etc.	284	9	5				
Ways, Roads, etc.	1,430	11	2				
Buildings, etc.	3,608	15	4				
„ Balance (Gross Profit)	17,321	1	3				
	£ 62,916	15	3		£ 62,916	15	3

A great authority upon this subject (His Honour Judge Ruegg) has written as follows upon the general scheme of the Act of 1906—

"Before the passing of the Workmen's Compensation Act, 1897, the law, in the absence of contractual relation, never imposed liability upon one person to make compensation to another for personal injury, except in cases where the injury was due to some breach of duty on the part of the person occasioning it, or on the part of his agents or servants."

"The Workmen's Compensation Act of 1897 was based upon, and introduced, a new and somewhat startling principle. By this Act the employer was, for the first time, made liable to compensate his workmen for injuries, quite irrespective of the consideration whether or not either he, or anyone for whose acts he was in law liable, had committed any breach of duty to which the injury was attributable."

"The intention of the Act made him an insurer of his workmen against the loss caused by injuries which might happen to them whilst engaged in his work."

"This insurance, it is true, was limited in extent, but so long as it arose out of and in the course of the employment, was quite irrespective of cause."

"The Act was founded on the German system of insurance of workmen against accidents happening in the course of their employment, a system which has since been largely accepted by many of the European States. The Workmen's Compensation Act of 1897 was admittedly a tentative measure. It was applied to a few only of the leading industries of the country. It was, in fact, an experiment capable of development, and meant, if successful, to develop into a universal scheme of industrial insurance. The first extension towards this end was effected by the passing of the Workmen's Compensation Act, 1900, which extended the benefits of the Act of 1897 to workmen engaged in agriculture."

"The two statutes brought about an illogical position. Certain workmen were protected in the course of their work, others were left unprotected. Even workmen generally within the Act found themselves at one time protected, at another time not. This position arose from the wording of the Act, which confined the liability of the employer to accidents which occurred 'on, in, or about' the premises under his control, and upon which his business was carried on."

"In the year 1906 the Government determined to extend the principle of workmen's compensation, and to make it something like universal. It was argued that all ordinary misadventures happening to workmen in the course of carrying on the work of the country should be regarded as incidental to the expense of carrying on such work, and ought to be a charge upon the particular industry, and that this should be so quite irrespective of whether or not the misadventure was occasioned by neglect or default."

"The result was the passing of the Workmen's Compensation Act, 1906, in which the broad principle of universal insurance against industrial accidents (indeed, all accidents where the relation of employer and workmen subsists) is recognised and laid down."

"By the new statute (i.e., the Act of 1906) the former Acts of 1897 and 1900 are repealed, save in so far as they affect accidents happening before the commencement of that Act."

The Act of 1906 came into force on July 1st, 1907, and, broadly speaking, since that date every workman has been entitled to compensation from his employer for personal injury arising from an accident happening to him out of and in the course of his employment; and since the definition of "workman" is a very wide one, it is necessary to examine it very closely, especially as it includes many persons who would not, in the ordinary course of things, be held to occupy such a position. There is one, and only one, exception to this general liability, viz., where the injury arises from the serious and wilful misconduct of the workman. It is to be noted that the wording is "serious and wilful," not "serious or wilful," so that the employer must make out a very strong case in order to avoid his statutory liability. And even where there has been serious and wilful misconduct such as would have deprived the workman of compensation in a general way, the exception does not apply if the workman dies leaving dependants behind him, or if his injuries are such as to cause him to be seriously and permanently disabled."

It is almost unnecessary to add that there is no longer any power to contract outside the provisions of the Act, unless some more advantageous scheme than that provided by the legislature is set up by the employer for the benefit of the workman."

The Workmen's Compensation Act has not repealed the Employers' Liability Act, 1880, nor has it done away with the common law action for negligence. In cases of injury, any one or all three of the remedies provided may be available. But compensation cannot be obtained under more than one head. Generally speaking, the workman is put to his election before proceedings are taken; but in certain cases, where a wrong course is adopted, as, for example, where he sues under the Employers' Liability Act and is unsuccessful, although he is perfectly entitled under the Compensation Act, he may be awarded compensation under the latter Act, but only on condition that the costs thrown away by his erroneous procedure are paid out of the amount of the compensation awarded. In practice, it is always advisable to adopt the remedy given by the Compensation Act, unless it is overwhelmingly clear that there is an unanswerable case either at common law or under the Employers' Liability Act."

The amount of litigation caused by this new statutory departure has been enormous. Most of the points, however, in connection with liability have been decided, and the debatable ground is practically confined to the compensation awarded. As no sane employer is now uninsured, the fighting of cases can safely be left in the hands of the insurance companies which have made a speciality of this kind of indemnity."

Whereas at common law the amount of damages is left to be assessed by a jury, and such damages are unlimited—unless they are so ludicrously assessed as to be such as no sensible body of men could possibly award, when a new trial of the case will be granted—the amount of compensation under either the Employers' Liability Act, 1880, or the Workmen's Compensation Act, 1906, cannot exceed the sums stated in these Acts respectively."

The Departmental Committee of the Board of Trade which has been investigating the history and results of the various Employers' Liability and Workmen's Compensation Acts has (1920) presented a most important report to Parliament,

embodying suggestions, based on the results of all such legislation up to the present time, for the extension of the Act, and for the increase of benefits under it. How far Parliament will accept the Committee's recommendations and pass them into law remains to be seen. But it would be wise for all concerned to assume that early legislation will include a new Workmen's Compensation Act, extending its privileges to almost every class of worker already excluded, making insurance against its risks compulsory on all, and largely increasing the benefits to those who come within its scope.

The reference to the Committee instructed them to consider the desirability or otherwise of the establishment of a State system of insurance. After an exhaustive inquiry into the subject, the Committee recommend that the present system shall continue, subject to the following modifications—

1. State supervision of rates of premium.

2. Mutual associations to be placed under the same obligations as insurance companies as to reserves for outstanding liabilities and as to furnishing returns.

3. Compulsory insurance, except for the Crown, a local or other public authority, a statutory company, or a householder in respect of his domestic servants. Employers with a wage roll of more than £20,000 per annum are to be entitled to claim exemption upon compliance with prescribed conditions.

The supervision is to be exercised by a Commissioner assisted by an advisory committee, half of which is to be appointed by the Accident Offices Association, as representing the Liff Insurance Companies. The Association have agreed that not more than 30 per cent. of the premium income is to be expended in profit, management expenses, and commission, and that the payment under the latter heading shall not exceed 5 per cent., which limit is to be made statutory.

The Commissioner is to have the supervision of insurance companies, mutual associations and self-insurers, and all duties of any Government Department (such as, for instance, the present duties of the Registrar of Friendly Societies, who certifies contracting out schemes, and the Board of Trade, to whom the returns under the Assurance Companies Act, 1909, are made) shall be transferred to him.

The Commissioner is to undertake the collection of statistics upon which he is to fix the maximum rates of premium. In the event of disagreement between the Commissioner and his advisory committee, the issue is to be referred to an agreed arbitrator, or, in default of agreement, to an arbitrator nominated by the Lord Chief Justice.

The recommendations of the Committee as to the liability of the employer are few, and are mainly concerned with matters of procedure. The two important recommendations are—

1. **Persons Entitled to Receive Compensation.** That the following be included within the scope of the Act—

(a) Persons employed otherwise than by way of manual labour, whose remuneration does not exceed £350 per annum, instead of £250 a year, as at present.

(b) Employment of a casual nature for the purposes of any game or recreation when the persons employed are engaged or paid through a club.

(c) Taxi-cab drivers who, on the ground that they are the bailes of their cabs, and not the

servants of the cab owner, are at present excluded.

(d) Share fishermen employed in the trawler industry.

(e) Share fishermen in the herring or other fishery, if the Commissioner is satisfied, after public inquiry, that they ought to be included.

(f) All persons ordinarily resident in this country who are employed, or travelling in the course of their employment, on a British ship.

2. **Benefits.** That the scale of compensation shall be as follows—

In Fatal Cases—

Total Dependents— (a) Where a widow is left, £250.

(b) Where a child or children under fifteen years of age is or are left, a weekly allowance of 10s for the first, 7s 6d for the second, and 6s for every other child. The said allowances to be provided by payment by the employer into a central fund of £500 in every case of a workman dying and leaving a child or children under 15 years of age.

(c) Where other total dependants are left, in addition to those above mentioned, a further sum not exceeding £50.

(d) Where total dependants are left, not including widow or children under 15, the sum of £250.

Partial Dependents. A sum representing the value of the deceased workman's contributions to the support of the partial dependants, with a maximum of £250.

No Dependents. Burial and medical expenses not exceeding £15, instead of £10 as at present.

Non fatal Cases—

Total incapacity, 66½ per cent. of the average weekly earnings. Maximum £3.

Partial incapacity, two-thirds of the difference between the average weekly earnings before the accident and the average amount the workman is able to earn after the accident.

WORKMEN'S COMPENSATION INSURANCE.—(See INDEMNITY INSURANCE.)

WORKS, COMMISSIONERS OR BOARD OF.—

1. **As to Crown Lands.** In early times the revenue of the King was largely derived from the rents and profits of what were called the demesne lands of the Crown. The demesne lands were those lands vested in the King by virtue of his lordship or dominion, demesne being derived from the Latin *dominium*, through Norman-French forms, the Latin phrase for the Crown lands being *terrac dominicales regis*, which may be translated as the lands held by the King in right of his lordship. These demesne lands either came originally to the Crown by distribution of conquered territory or were gained afterwards in other ways. Forfeitures especially, for various reasons, escheats or failures of heirs and successors to manors and estates, and so on, increased the Crown's possessions. On the other hand, the King was constantly diminishing the Crown lands by granting them away to private persons, sometimes for political reasons such as securing their support, or simply to reward favourites. Parliament frequently passed laws dealing with this practice, either by restraining the grants or by granting supplies to make up deficiencies of the revenues from Crown lands. In 1702, the first year of the reign of Queen Anne, the Crown Lands Act, and afterwards other similar Acts, restrained the Crown from granting leases of any royal manors, lands, woods, etc., for any longer term than thirty-one years.

2. The Management of Crown Lands. The management of what remained of these possessions of the Crown was in 1832 in the hands of a First Commissioner and two other Commissioners styled "The Commissioners of His Majesty's Woods, Forests and Land Revenues," or, shortly, the Commissioners of Woods.

Previously to this there still existed in the time of George III a department known as the Office of Works, which had the management of the business and expenditure connected with public works and buildings, whether the expenditure was defrayed out of the Civil List Revenues, or out of moneys granted by Parliament, or from other public sources. By an Act of George III, in 1814, all these public works and buildings were placed under the superintendence and control of an officer styled "The Surveyor General of His Majesty's Works and Public Buildings." An Act of 1832 (2 & 3 W. 4, c. 1), "The Crown Lands Act," enacted that the King might by letters patent appoint in the place of the Commissioners of Woods, and of the Surveyor-General, not more than three persons to be Commissioners for exercising the joint offices of the Commissioners of Woods and the Surveyor-General. The title of these Commissioners when created became "The Commissioners of His Majesty's Woods, Forests, Land Revenues, Works and Buildings."

These Commissioners after using part of the revenues of the Crown lands in maintaining the public works and buildings in their charge, paid the balance into the Exchequer, and as it was desirable to keep separate the functions of receipt and management of revenue and the function of expenditure, it was decided to sever the Commissioners into two distinct bodies. This was done in 1851 by the Crown Lands Act, 1851 (14 & 15 Vict., c. 42). The First Commissioner was declared to be the head of the new department to be known as the Board of Works and Public Buildings. With him were joined the Secretaries of State, and the President and Vice-President of the department which is now the Board of Trade. They were to be styled "The Commissioners of Her Majesty's Works and Public Buildings." The rest of the Commissioners of the old Commissioners of Woods remained the Commissioners of Woods for the future. The First Commissioner of the Board of Works and Public Buildings was made eligible to sit in the House of Commons, but the Commissioners of Woods, whether the First or other Commissioners, were declared ineligible for election. A section in the Act provided that the Commissioners of Woods might be superseded by a Surveyor-General of Woods, Forests and Land Revenues, but this has not been done, and the Commissioners still subsist, the first being unpaid, the two others receiving each £1,200 a year.

3. The Board of Works. The First Commissioner of the Board of Works has a salary of £2,000, and he is a Member of the Ministry with a seat either in the House of Commons or the House of Lords, and in the 1911 Ministry of Mr. Asquith the First Commissioner had a seat in the Cabinet. Though nominally there is a Board consisting of the persons above mentioned, the Board is as much a phantom as the Board of Trade itself. It never meets, and would only meet if the office of First Commissioner should happen to be vacant when some urgent business was necessary to be done. By sec. 22 of the Act, the Commissioners of Works

are to have the duties and powers previously in the hands of the Commissioners of Woods, in respect of and in relation to the royal parks, gardens, and possessions mentioned in a list in this section, which comprises all the Royal parks in the neighbourhood of London. Besides this there is a Schedule to the Act enumerating a considerable number of Statutes relating to public works; such as the erection and maintenance of bridges, roads, squares, and such places, over which the Commissioners of Works had control and management. Amongst these works may be mentioned Trafalgar Square and the modern Royal park in Battersea Fields. All Royal palaces and parks, and all public buildings, such as the Houses of Parliament, their fabrics and furnishing, are under the control of the Board of Works, except those which are under some special public department, as, for example, Windsor Castle and Park or the buildings of the Post Office. In regard to the Royal parks, however, which are in London and suburban London, there are certain modern ones which were not entered in the list above mentioned. They in fact were not in existence then but were subsequently created. These were Victoria Park, Battersea Park, Kennington Park, Bethnal Green Museum Gardens, and Chelsea Embankment. But in 1887 at the date of the London Parks and Works Act (50 & 51 V., c. 34) they were under the management of the Commissioners of Works, and were maintained at the cost of the Exchequer. The preamble of this Act recites the expediency of their being maintained out of the local rates. Accordingly the Act transferred them to the then existing Metropolitan Board of Works, and they came under the management of the London County Council next year as the Board's successor on the passing of the Local Government Act, 1888 (51 & 52 V., c. 41). The London County Council succeeded to all the powers of making by-laws for the management of these parks which had been exercised by the Commissioners of Works. They also, as administering Royal parks, succeeded to whatever rights the Commissioners of Works had in such parks. Thus, by the Parks Regulation Act, 1872 (35 & 36 Vict., c. 15) certain regulations for the Royal parks and gardens were laid down in a schedule to that Act. It was declared by these regulations (*inter alia*) that no person should deliver, or invite any person to deliver, any public address in a park, except in accordance with the rules of the park. These rules were defined as being such as might in relation to any matter within the jurisdiction of the ranger (if there be a ranger, as there is in Hyde Park and Richmond Park, &c.) be made by the ranger, the relation to any other matter to which the regulations were applicable might be made by the Commissioners of Works. But these rules must be laid before Parliament and approved before they come into operation. Section 11 of the Act also declares that nothing therein shall authorise any interference with any right of way, or any right whatever, to which any person or persons may be entitled. In 1873, a year after the Act was passed, a speaker in the park was convicted by a magistrate and fined for having delivered an address in the park not in accordance with the rules for public speeches there, that had been issued and signed by the Duke of Cambridge, the Ranger. The conviction was affirmed by the Court of Queen's Bench, which also gave judgment on the point raised under sec. 11, reserving all rights to which any person might be

entitled. The Court decided that there was no right in the public to hold meetings in the Royal parks; and therefore there was no right interfered with within sec. 11. (*Bailey v. Wilhamson*, L.R., 8 Q.B., p. 118.) As to the legal position of the Commissioners of Works, and of the London County Council in those parks of which they have now the management and control, a passage may be quoted from the judgment of Lord Blackburn (then Mr. Justice Blackburn) in the above-cited case. He said: "Those parks which the Act of Parliament refers to have been under the management of the Commissioners of Woods and Forests. The Commissioners have managed the parks for the Crown, and they have devoted them to a great extent to the purpose of public recreation, and for the benefit of the public enjoying them. I take it that if any minister of the Crown were ill-advised enough to revoke the Act, and to endeavour to stop the enjoyment by the public of the parks in London, which they have had for so long a period, he would probably be checked very speedily by Parliament; but I apprehend that in a court of law there would be no power to say that he could not do it. When a thing was done which was not according to law, when any act was done to or in the park, which was objected to by those who had the management of them, his only remedy at common law that I am aware of was by an information of intrusion in the nature of trespass brought by the Attorney-General against the individual. That would be a troublesome mode of enforcing the right of the Crown to prevent people coming and making speeches in the parks; and so this Act of Parliament was passed."

WORKS COMMITTEES. Their Origin, Constitution, Procedure, and Functions.—Owing to the great changes in industry consequent upon the war, the need for closer relations between employer and workmen has become increasingly felt. The old Trade Union machinery has often been overburdened, and has not always sufficed to deal with the innumerable questions arising from day to day in the shops. These conditions have encouraged the growth of works committees as a means of direct and constant communication between employer and employed, and as the formation of such committees in industries where the conditions require or favour them was recommended by the Whitley Committee as part of the industrial organisation of the future, a *resumé* of the matter may be of interest to employers generally.

A distinction must be drawn between "Works Committees" and "Shop Committees." The former cover the whole of a works (or even in some instances the whole of two or three contiguous works); the latter cover a particular department or shop in a works. The first mentioned may also sometimes be referred to as an "Industrial Committee." Such a committee, generally constituted on a Trade Union basis, deals with particular questions affecting the conditions and remunerations of labour in a given works—questions of principle being reserved for the district or national organisations concerned.

The causes which brought works committees into existence naturally are varied, although the principal cause must undoubtedly have been the great need for increased production during the war. This need could not have been satisfied under the old conditions of communication between employers and employed. It may be stated here

that some committees are "joint" and embrace representatives of both men and management, meeting together in regular session; while others (and this is the general rule) are committees of workmen only, but meet the management from time to time (sometimes regularly, and sometimes occasionally; sometimes directly, and sometimes through their chairman or secretary), to settle grievances and to give or to receive information. The constitution of a works committee naturally varies with its functions. Handling as it does questions in which differences of skill or of craft are concerned, it involves an extensive range of considerations. It may be necessary to consider the relation of such a committee, if one is instituted, to the existing industrial organisation of the workmen in the works, in the shape of shop stewards or delegates; and, again, it may be necessary to consider whether management and labour should sit together as a joint committee (and, if so, in what proportions), or whether the works committee should be one of workers only, with opportunities of ready access to the management—and ultimately, it may be, to the directors—when such access is desired.

Where the committee is a committee of workmen only, it is advisable (whether the idea of such a committee is suggested by the management or develops spontaneously among the workmen), that the workmen should be left to determine the basis of its composition and the method of its election for themselves.

Two main methods appear to prevail in regard to the composition of a works committee as mentioned above, viz—

(a) The committee may be elected by all the workmen employed, each department or shop being treated as a constituency, and returning a number of members, perhaps in proportion to its size. This appears to be the simplest method, and is found even in works in which the workers have already an industrial organisation in the shape of shop stewards or delegates. This method commonly results in a committee, all the members of which are shop stewards. But even when this is so, a majority of the shop stewards may not be on the committee; and the members may be drawn from a minority of the unions.

This is the case in most engineering works, and in such cases it is advisable to build on the existing organisation. This brings us to the second main possibility.

(b) The committee may be a committee of the shop stewards of the different unions represented in the works, or, in a large works where shop stewards are numerous, a committee elected by the shop stewards. In one works, for instance, which employs about 3,000 workmen, the works committee (in this case a joint committee) contains twelve representatives of the workmen elected by the shop stewards (some forty in number) of the various unions represented in the works. In another works a committee of seven shop stewards meets the management monthly and discusses questions which its members and the management have asked to have placed on the agenda. The two methods represent the two possibilities at each end of the scale, but various methods may be employed which combine, or come as it were between, these two possibilities. In some works there is one committee for skilled and another for unskilled or semi-skilled men. In several large engineering establishments,

for instance, there are two committees of shop stewards, one for craftsmen, and another for semi-skilled men and labourers. Generally, however, there is only one committee for both sets of workmen. There are other cases where a third division exists for the women employees. The persons elected to such a committee are in certain cases drawn solely from the ranks of the skilled craftsmen, though there may be unskilled men (and stewards of unskilled unions) in the works. The exclusion of any direct representation of the unskilled men in such circumstances is generally due to the same cause as the absence of any direct representation of the smaller craft unions, viz., the fact that a department's representative tends to belong to the union which has most members in the department. There are certainly cases in which this apparent exclusion of representation of the interests of the unskilled is a source of friction between the different classes of workers, and the presence in some works of separate committees is the extreme expression of such difference in interest. It is argued that the unskilled men—though they may be excluded by exactly similar circumstances—are in a different position from the minority of skilled men who may be excluded from direct representation, in that the interests of the latter, being akin to their own, are better understood by, and receive more sympathetic attention from, the skilled men on the committee. It would nevertheless appear that most committees appointed on a departmental basis do succeed in representing fairly the interests of all their constituents, and it is claimed that the committee member tends to look upon himself not as the department, but as the representative of the department as a whole.

The position of women workers is in some respects analogous to that of unskilled workers. In some cases they have a vote for the works committee elected by the various departments, and they may have a representative of their own on the committee, in other cases representation is secured to women's departments as such. Sometimes, even where women are excluded from voting, the works committee may represent their interests; and it may entertain and bring before the notice of the management grievances of women workers and questions affecting their interests and the conditions of their labour. Occasionally, though this is rare, there is a separate committee to represent the interests of women workers.

The existing works committees have generally two officers, a chairman and a secretary. The tenure of office of the committee is often unfixed. Where it is fixed, it may be for six months or for a year. A fixed tenure, provided it is not too short, seems desirable; a new election will re-invigorate the committee, and then if the workmen in general have any feeling, which the committee has failed to express, it will give a chance for its expression. The desirability of election by secret ballot has been emphasised by many employers and by some trade unionists.

Procedure. Some works committees have regular meetings with the management, at intervals of a week, a fortnight, or a month. An agenda is circulated and regular minutes are kept. In one establishment where this is done the men's chairman presides at one fortnightly meeting, and a representative of the management at the next. In other cases the meetings are not regular, but are held whenever occasion arises. Arguments may be used

both for and against a system of regular meetings. It may be urged in their favour that they provide a known and regular time for raising the question; that they enable questions to be raised in their initial stages, whereas, if meetings are not held until occasion arises, a question may have grown acute before a meeting is held; and, finally, by bringing representatives of the management and the men into constant contact they accustom each side to seeing and understanding the point of view of the other. It may be urged on the other hand, that if meetings are regular and at frequent intervals there may often be no business to be done and the effect may be either to make the committee slack or to induce the more restless members to manufacture business by finding grievances and discovering difficulties. In any case it may be suggested that the main thing is not so much regularity of meetings as what may be called the principle of the open door. If the men know that their representatives have access to the management and if they know that the management on its side is ready to consult their representatives, the success of the main function of the committee is secured. The number of times at which a general works committee needs to meet the management will vary with the type of works and with the degree to which sectional questions can be handled by such a committee. One committee, in an establishment in which relations have always been good, has met the management on an average three times a year in the last twenty-four years; though in the last three years, owing to the number of questions raised by the war, the average number of meetings in each year has been seven. During the whole existence of the committee, however, the right of the separate trade delegates to meet the management has been freely used. Employers complain that workpeople tend to want all questions settled off hand, and fail to realise that investigation may be necessary; and one argument in favour of regular meetings is that they form a permanent and businesslike substitute for frequent sectional deputations. There would appear to be many questions which can be settled in a more satisfactory way if they are discussed and investigated at regular joint meetings. This method, however, cannot be applied indiscriminately; there will always be matters of urgency which must be taken up as they arise; and sectional questions may in certain cases be better treated apart from the regular meetings of the general works committee. One other caution may be suggested in this connection. Works committees instituted in engineering establishments during the course of the war naturally found abundant work. The same is true now that the period of reconstruction has arrived. In practice, however, it has been found that a system of weekly or fortnightly meetings is almost unnecessary.

In the matter of procedure in the stricter sense of the term there is at present a good deal of variation. Generally the procedure is somewhat informal, and this in the earlier stages of a works committee is perhaps to the good. The normal procedure so far as one can speak of a normal procedure, is somewhat as follows:

(1) A workman who has a grievance will report it, directly or through the committee man in his department, to the secretary of the committee. Smaller grievances, which do not affect a number of men or raise a general question, may be settled

entitled. The Court decided that there was no right in the public to hold meetings in the Royal parks; and therefore there was no right interfered with within sec. 11. (*Bailey v. Wilhamson*, L.R., 8 Q.B., p. 118.) As to the legal position of the Commissioners of Works, and of the London County Council in those parks of which they have now the management and control, a passage may be quoted from the judgment of Lord Blackburn (then Mr. Justice Blackburn) in the above-cited case. He said: "Those parks which the Act of Parliament refers to have been under the management of the Commissioners of Woods and Forests. The Commissioners have managed the parks for the Crown, and they have devoted them to a great extent to the purpose of public recreation, and for the benefit of the public enjoying them." I take it that if any minister of the Crown were ill-advised enough to revoke the Act, and to endeavour to stop the enjoyment by the public of the parks in London, which they have had for so long a period, he would probably be checked very speedily by Parliament; but I apprehend that in a court of law there would be no power to say that he could not do it. When a thing was done which was not according to law, when any act was done to or in the park, which was objected to by those who had the management of them, his only remedy at common law that I am aware of was by an information of intrusion in the nature of trespass brought by the Attorney-General against the individual. That would be a troublesome mode of enforcing the right of the Crown to prevent people coming and making speeches in the parks; and so this Act of Parliament was passed."

WORKS COMMITTEES. Their Origin, Constitution, Procedure, and Functions.—Owing to the great changes in industry consequent upon the war, the need for closer relations between employer and workmen has become increasingly felt. The old Trade Union machinery has often been overburdened, and has not always sufficed to deal with the innumerable questions arising from day to day in the shops. These conditions have encouraged the growth of works committees as a means of direct and constant communication between employer and employed, and as the formation of such committees in industries where the conditions require or favour them was recommended by the Whitley Committee as part of the industrial organisation of the future, a *resumé* of the matter may be of interest to employers generally.

A distinction must be drawn between "Works Committees" and "Shop Committees." The former cover the whole of a works (or even in some instances the whole of two or three contiguous works); the latter cover a particular department or shop in a works. The first mentioned may also sometimes be referred to as an "Industrial Committee." Such a committee, generally constituted on a Trade Union basis, deals with particular questions affecting the conditions and remunerations of labour in a given works—questions of principle being reserved for the district or national organisations concerned.

The causes which brought works committees into existence naturally are varied, although the principal cause must undoubtedly have been the great need for increased production during the war. This need could not have been satisfied under the old conditions of communication between employers and employed. It may be stated here

that some committees are "joint" and embrace representatives of both men and management, meeting together in regular session; while others (and this is the general rule) are committees of workmen only, but meet the management from time to time (sometimes regularly, and sometimes occasionally; sometimes directly, and sometimes through their chairman or secretary), to settle grievances and to give or to receive information. The constitution of a works committee naturally varies with its functions. Handling as it does questions in which differences of skill or of craft are concerned, it involves an extensive range of considerations. It may be necessary to consider the relation of such a committee, if one is instituted, to the existing industrial organisation of the workmen in the works, in the shape of shop stewards or delegates; and, again, it may be necessary to consider whether management and labour should sit together as a joint committee (and, if so, in what proportions), or whether the works committee should be one of workers only, with opportunities of ready access to the management—and ultimately, it may be, to the directors—when such access is desired.

Where the committee is a committee of workmen only, it is advisable (whether the idea of such a committee is suggested by the management or develops spontaneously among the workmen), that the workmen should be left to determine the basis of its composition and the method of its election for themselves.

Two main methods appear to prevail in regard to the composition of a works committee as mentioned above, viz—

(a) The committee may be elected by all the workmen employed, each department or shop being treated as a constituency, and returning a number of members, perhaps in proportion to its size. This appears to be the simplest method, and is found even in works in which the workers have already an industrial organisation in the shape of shop stewards or delegates. This method commonly results in a committee, all the members of which are shop stewards. But even when this is so, a majority of the shop stewards may not be on the committee; and the members may be drawn from a minority of the unions.

This is the case in most engineering works, and in such cases it is advisable to build on the existing organisation. This brings us to the second main possibility.

(b) The committee may be a committee of the shop stewards of the different unions represented in the works, or, in a large works where shop stewards are numerous, a committee elected by the shop stewards. In one works, for instance, which employs about 3,000 workmen, the works committee (in this case a joint committee) contains twelve representatives of the workmen elected by the shop stewards (some forty in number) of the various unions represented in the works. In another works a committee of seven shop stewards meets the management monthly and discusses questions which its members and the management have asked to have placed on the agenda. The two methods represent the two possibilities at each end of the scale, but various methods may be employed which combine, or come as it were between, these two possibilities. In some works there is one committee for skilled and another for unskilled or semi-skilled men. In several large engineering establishments,

A. 1.

In the High Court of Justice.

Chancery DIVISION.

Mr. Justice

BETWEEN

Alfred Smith,

Plaintiff,

and

Joseph Thompson,

Defendant.

GEORGE THE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, TO

Joseph Thompson,

of 853 Chancery Lane,

in the County of London.

We command you, that within eight days after the service of this writ on you, inclusive of the day of such service, you do cause an appearance to be entered for you in an action at the suit of

Alfred Smith.

And take notice that in default of your so doing, the plaintiff may proceed therein and judgment may be given in your absence.

WITNESS,

High Chancellor of Great Britain, the *Second* day of *January*, in the year of Our Lord One thousand nine hundred and

N.B.—This writ is to be served within twelve calendar months from the date thereof, or, if renewed, within six calendar months from the date of the last renewal, including the day of such date, and not afterwards

The defendant may appear hereto by entering an appearance either personally or by Solicitor, at the Central Office, Royal Courts of Justice, London.

The Plaintiff's claim is for

- (a) *A declaration that the Partnership entered into by an Indenture dated the 3rd January 1912, and made between the Plaintiff and the Defendant was induced by the misrepresentation of the Defendant.*
- (b) *Rescission of the said deed and dissolution of the said partnership.*
- (c) *An injunction.*
- (d) *A receiver.*
- (e) *Damages for fraud.*
- (f) *Such further or other relief as the case may require.*
- (g) *Costs.*

THIS WRIT was issued by *Jones and Jones*,
of *and*
whose address for service is *983 Cheapside, in the County of London*,
~~Agent for~~
~~at~~
solicitors for the said plaintiff who resides at *Hill House, Wanstead, in the County of Essex*.

THIS WRIT was served by me

George Roberts

on the defendant

on *Saturday* the *4th* day of *January* 1913.

Indorsed the *4th* day of *January*, 1913.

(Signed) *George Roberts,*

(Address) *819 High Street,*
Walthamstow.
Solicitor's Clerk.

WRECK.—If he is the owner thereof, give notice to the receiver of the district, and if he is not the owner, as soon as possible deliver the same to the receiver of the district. A penalty is imposed on any one taking and secreting wreck at the time of the casualty, whether it belongs to him or not, and the receiver may take it from him. A receiver taking possession of wreck must give notice thereof to the nearest custom house, with its description, and if he thinks it exceeds £20 in value, he must send a similar description to Lloyd's. The owner of any wreck in the hands of a receiver must establish his claim to it within a year, and, on so doing and paying all expenses, is entitled to have it restored to him. Where a foreign ship has been wrecked on, or near the coast, and any articles forming part of her cargo are found on, or near the coast, or are brought into any port, the consular officer of the foreign country to which the ship or cargo belongs, is deemed to be the agent for the owner so far as the custody and disposal of the articles is concerned. The right to unclaimed wreck belongs to the Crown, except in places where the Crown has granted that right to others. Where wreck is not claimed by an owner within a year after it was found, and has been in the hands of a receiver, it can be claimed by the person entitled to wreck in the place where it was found, and he is entitled to have it after paying expenses and salvage connected with it; if no such person claims it, it is sold by the receiver, and the net proceeds are applied for the benefit of the Crown, either for the duchy of Lancaster or the duchy of Cornwall; or, if these do not claim it, it goes to the Crown direct. Any dispute as to the title to unclaimed wreck is determined summarily in the same way as a dispute as to salvage, but any party dissatisfied therewith may, within three months after the expiration of a year, proceed in a competent court to establish his title.

Receivers of wrecks are appointed by the Board of Trade. There are also wreck commissioners, whose number may not exceed three at one time, and are appointed by the Lord Chancellor. These commissioners may hold inquiries into shipping casualties, may be judges of courts of survey, and may take examinations in respect of ships in distress, but they seldom or never have to deal with wrecks as such.

The owner of a wrecked ship, sunk by his negligence, in a navigable highway, so as to be an obstruction to navigation, if he retains the ownership of her, is liable in damages to the owner of any other ship which, without negligence, runs into her. If, however, the owner has taken steps to point out her position, or the harbour authority, at his request, has undertaken to do so, no action lies against him for negligence. He may, however (whether the sinking was due to his negligence or not), abandon the ship and thus free himself from any further liability in respect of her.

The Merchant Shipping Act, 1896, makes it incumbent on the master of a British ship to report to Lloyd's agent, or to the secretary of Lloyd's, any floating derelict ship which he may fall in with at sea.

WRECKAGE.—Goods that are cast up on the shore by the sea after the wreck of the vessel in which the goods were being carried.

WRIT.—In a general sense a writ is any document

which commands a person to do a certain thing. In its commonest legal sense it is the name given to the document by which an action is started in the High Court of Justice. Legally it is also a document under which the sheriff is enabled to levy execution on the estate of a judgment debtor, e.g., writ of *fi-fa*, or writ of *elegit* (*qv*). A writ of summons in an action must bear the seal of the court before it is of any legal validity, and a payment of 10s. has to be made upon its issue. The writ is addressed to the person who is made defendant in the action, and it commands such person to attend at the High Court, or at some other place named, within a period of eight days after service upon him, to answer the demand of the plaintiff. It is issued in the name of the Lord Chancellor; but if that office is vacant the Lord Chief Justice takes his place. The nature of the claim made is indorsed upon the writ. In most cases a defendant agrees to accept service through a solicitor. If not, personal service is necessary, though where a defendant deliberately keeps out of the way, an order may be obtained for what is known as substituted service, i.e., the court allows certain steps to be taken which are likely to bring the fact of the writs having been issued to the defendant's notice, and this will be considered equivalent to personal service and will have the same effect as to all subsequent proceedings. A copy of the writ is that which is actually served upon the defendant, but the original sealed writ must be exhibited, if required. There are special rules as to the service of a writ, or a copy thereof, when the defendant does not reside within the jurisdiction. Every writ is valid, in the first instance, for twelve months, from its date, but if it cannot be served in that time, and no order has been made for substituted service, upon good cause being shown, the court will allow its renewal for any period not exceeding six months. At the expiration of the six months further renewals may also be granted, and so the writ may be kept alive for almost any period until it is served. This renewal is an advantage to the plaintiff, as the Statute of Limitations (*qv*) does not run so long as the writ is in existence. Upon service of the writ, or after the time allowed in the case of substituted service, the defendant must enter an appearance (*qv*) within eight days if he intends to contest the action. If he fails to do so the plaintiff is entitled to sign judgment. When an appearance has been entered, the action proceeds in the ordinary course, the various steps being dependent upon the nature of the case. (See ACTION.)

WRITER TO THE SIGNET.—(See SIGNET, WRITER TO THE.)

WRITING PAPER.—(See PAPER.)

WRIT OF ELEGIT.—(See ELEGIT.)

WRIT OF FIERI FACIAS.—(See FIERI FACIAS.)

WRIT OF SUMMONS.—(See WRIT.)

WRONGFUL CONVERSION.—(See CONVERSION.)

WRONGFUL DISMISSAL.—(See MASTER AND SERVANT.)

WURRUS.—Also known as bastard saffron. It is a golden brown dye obtained from the glands of the fruit of an East Indian tree, the *Mallotus Philippensis*. It is used in India for dyeing silk.

X]

X

[XYL

X.—This letter is used in the following abbreviations—

X.C., Ex coupon.

X.D., Ex Dividend

X.In., Ex Interest.

X.N., Ex New (*q v*)

XYLONITE.—(SEE CELLULOID.)

Y.—This letter is used in the combination Y/A, which is an abbreviation for the York-Antwerp Rules—marine insurance

YAK.—A species of ox found in Tibet, both wild and in a domesticated form. It is bred for the sake of its flesh and the milk it yields, and is also employed as a beast of burden. The long, silky hair with which it is covered is spun into ropes, and made into coverings for tents; and a fine, strong cloth is obtained from the soft fur covering the shoulders. The trade in these articles is, however, very limited.

YARD.—The British standard of length. It is defined as the straight line or distance between the centres of the transverse lines in the two gold plugs in the bronze bar deposited in the office of the Exchequer, the measurement being taken when the temperature is 62° Fahrenheit. (See WEIGHTS AND MEASURES.)

YARN.—Any textile fabric prepared for weaving into cloth is known by this name. Thus there are cotton, woollen, silk, and linen yarns, and they are placed on the market in various forms, e.g., on spools, bobbins, tubes, or in hanks, etc. Yarn is produced entirely by machinery, and the perfection of spinning in Great Britain has led to its manufacture on an enormous scale. The export trade is very large.

YEARLY TENANCY.—(See LANDLORD AND TENANT)

YEARS' PURCHASE.—The value of property is very frequently indicated as being equal to the rent derivable from the same for a certain number of years. Thus, a house is rented at £50. At twenty years' purchase it is said to be worth twenty times £50, i.e., £1,000. The percentage derived from an investment of this kind is found by dividing the purchase money by the number of years. (See VALUATION)

YEAST.—The micro-organism to which fermentation is due. For brewing purposes, yeast is used for the production of alcohol, but in baking it is employed for the sake of the carbon dioxide it contains, which makes the bread light. The yeast obtained from the froth of fermenting malt liquors or beer mash is known as barm. German barm is imported into England in large quantities. It is made by straining off the liquid portion of the yeast through a fine sieve and pouring the residue into cold water, in which it sinks as a sediment. This sediment is afterwards collected and pressed into a dough-like mass, which is then mixed with potato starch.

YELLOW BERRIES.—Also known as French berries and Persian berries. They are the unripe fruit of the *Rhamnus infectiorius*, a tree of Asia Minor, and are exported from Smyrna for the sake of a yellow dye obtained from them. This is used in the manufacture of morocco leather, and is also of value in the arts, as it forms sap green when mixed with alum.

YELLOW METAL.—An alloy consisting of 60

per cent. of copper and 40 per cent. of zinc. It is cheaper than unalloyed copper, and is used for sheathing ships' bottoms.

YELLOW OCHRE.—(See OCHRE.)

YEN.—(See FOREIGN MONEY—JAPAN)

YIN.—(See FOREIGN WEIGHTS AND MEASURES—CHINA)

YORK-ANTWERP RULES.—These are a set of rules on the question of average (*qv*) which were adopted at the conference in connection with the Association for the Reform and Codification of the Law of Nations, held at Antwerp in 1887 and at Liverpool in 1890. They are given side by side for the sake of comparison.

ANTWERP, 1887.

RULE I—JETTISON OF DECK CARGO

No jettison of deck cargo shall be made good as general average. Every structure not built in with the frame of the vessel shall be considered to be a part of the deck of the vessel.

RULE II—DAMAGE BY JETTISON

Damage done to goods or merchandise by water which unavoidably goes down a ship's hatches opened, or other opening made for the purpose of making a jettison, shall be made good as general average in case the loss by jettison is so made good. Damage done by breakage and chafing, or otherwise from derangement of stowage consequent upon a jettison, shall be made good as general average in case the loss by jettison is so made good.

RULE III—EXTINGUISHING FIRE ON SHIPBOARD.

Damage done to a ship or cargo, or either of them, by water or otherwise, in extinguishing a fire on board the ship, shall be general average, except that no compensation be made

LIVERPOOL, 1890.

RULE I—JETTISON OF DECK CARGO.

No jettison of deck cargo shall be made good as general average. Every structure not built in with the frame of the vessel shall be considered to be a part of the deck of the vessel.

RULE II—DAMAGE BY JETTISON AND SACRIFICE FOR THE COMMON SAFETY.

Damage done to a ship and cargo, or either of them, by or in consequence of a sacrifice made for the common safety, and by water which goes down a ship's hatches opened or other opening made for the purpose of making a jettison for the common safety, shall be made good as general average.

RULE III—EXTINGUISHING FIRE ON SHIPBOARD.

Damage done to a ship and cargo, or either of them, by water or otherwise, including damage, by beaching or scuttling a burning ship, in extinguishing a fire on board the ship, shall

ANTWERP, 1887.

for damage done by water to packages which have been on fire. (See *Greenshields, Cowie & Co v. Stephens & Sons*, 1903, 1 K B. 51.)

RULE IV—CUTTING AWAY WRECK

Loss or damage caused by cutting away the wreck or remains of spars, or of other things which have previously been carried away by sea peril, shall not be made good as general average.

RULE V—VOLUNTARY STRANDING

When a ship is intentionally run on shore because she is sinking or driving on shore or rocks, no damage caused to the ship, the cargo, and the freight, or any or either of them, by such intentional running on shore shall be made good as general average.

RULE VI—CARRYING PRESS OF SAIL.

Damage occasioned to a ship or cargo by carrying a press of sail shall not be made good as general average.

LIVERPOOL, 1890.

be made good as general average; except that no compensation shall be made for damage to such portions of the ship and bulk cargo, or to such separate packages of cargo, as have been on fire.

RULE IV—CUTTING AWAY WRECK.

Loss or damage caused by cutting away the wreck or remains of spars, or of other things which have previously been carried away by sea peril, shall not be made good as general average.

RULE V—VOLUNTARY STRANDING

When a ship is intentionally run on shore, and the circumstances are such that if that course were not adopted she would inevitably sink, or drive on shore or on rocks, no loss or damage caused to the ship, cargo, and freight, or any of them, by such intentional running on shore shall be made good as general average. But in all other cases where a ship is intentionally run on shore for the common safety, the consequent loss or damage shall be allowed as general average.

RULE VI—CARRYING PRESS OF SAIL—DAMAGE TO OR LOSS OF SAILS.

Damage to or loss of sails and spars, or either of them, caused by forcing a ship off the ground or by driving her higher up the ground, for the common safety, shall be made good as general average; but where a ship is afloat no loss or damage caused to the ship, cargo, and freight, or any of them, by carrying a press of sail, shall be made good as general average.

ANTWERP, 1887.

RULE VII—PORT OF REFUGE EXPENSES.

When a ship shall have entered a port of refuge under such circumstances that the expenses of entering the port are admissible as general average, and when she shall have sailed thence with her original cargo, or a part of it, the corresponding expenses of leaving such port shall likewise be so admitted as general average; and whenever the cost of discharging cargo at such port is admissible as general average, the cost of re-loading and stowing such cargo on board the said ship, together with all storage charges on such cargo, shall likewise be so admitted. Except that any portion of the cargo left at such port of refuge, on account of its being unfit to be carried forward, or on account of the unfitness or inability of the ship to carry it, shall not be called on to contribute to such general average—(See Rule X below.)

RULE VIII—WAGES AND MAINTENANCE OF CREW IN PORT OF REFUGE.

When a ship shall have entered a port of refuge under the circumstances defined in Rule VII, the wages and cost of maintenance of the masters and mariners from the time of entering such port until the ship shall have been made ready to proceed upon her voyage, shall be made good as general average. Except that any portion of the cargo left at such ports of refuge on account of its being unfit to be carried forward, or on account of the unfitness or inability of the ship to carry it, shall not be called upon to contribute to such general average—(See Rule XI.)

LIVERPOOL, 1890.

RULE VII—DAMAGE TO ENGINES IN REFLOATING A SHIP.

Damage caused to machinery and boilers of a ship, which is ashore and in a position of peril, in endeavouring to refloat, shall be allowed in general average, when shown to have arisen from an actual intention to float the ship for the common safety at the risk of such damage.

RULE VIII—EXPENSES LIGHTENING A SHIP WHEN ASHORE, AND CONSEQUENT DAMAGE.

When a ship is ashore and, in order to float her, cargo, bunker coals and ship's stores, or any of them, are discharged, the extra cost of lightening, lighter hire, and reshipping (if incurred), and the loss or damage sustained thereby, shall be admitted as general average.

ANTWERP, 1897.

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ANTWERP, 1887.

LIVERPOOL, 1890.

RULE IX—DAMAGE TO CARGO IN DISCHARGING.

Damage done to cargo by discharging it at a port of refuge shall not be admissible as general average in case such cargo shall have been discharged at the place and in the manner customary at that port with ships not in distress—(See Rule XII)

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RULE X—CONTRIBUTORY VALUES.

The contribution to a general average shall be made upon the actual values of the property at the termination of the adventure, to which shall be added the amount made good as general average for property sacrificed, deduction being made from the shipowner's freight and passage money at a risk of two-fifths of such freight, in lieu of crew's wages, port charges and all other deductions, deduction being also made, from the value of the property, of all charges incurred in respect thereof subsequently to the arising of the claim to general average—(See Rule XVII)

RULE IX—CARGO, SHIP'S MATERIALS, AND STORES BURNT FOR FUEL.

Cargoes, ship's materials and stores, or any of them, necessarily burnt for fuel for the common safety, at a time of peril, shall be admitted as general average, when, and only when, an ample supply of fuel had been provided; but the estimated quantity of coals that would have been consumed, calculated at the price current at the ship's last port of departure at the date of her leaving, shall be charged to the shipowner, and credited to the general average.

RULE X—EXPENSES AT PORT OF REFUGE, ETC.

(a) When a ship shall have entered a port or place of refuge, or shall have returned to her port or place of loading in consequence of accident, sacrifice or other extraordinary circumstances, which render that necessary for the common safety, the expenses of entering such port or place shall be admitted as general average, and when she shall have sailed thence with her original cargo, or a part of it, the corresponding expenses of leaving such port or place consequent upon such entry or return, shall likewise be admitted as general average.

(b) The cost of discharging cargo from a ship, whether at a port or place of loading, call or refuge, shall be admitted as general average, when the discharge was necessary for the common safety, or to enable damage to the ship, caused by sacrifice or accident during the voyage, to be repaired, if the repairs were necessary for the safe prosecution of the voyage.

(c) Whenever the cost of discharging cargo from a ship is admissible as general average, the cost of reloading and storing such cargo on board the said ship, together with all storage charges on such cargo, shall likewise be so admitted. But when the ship is condemned or does not proceed on her original voyage, no storage expenses incurred after the date of the ship's condemnation, or of the abandonment of the voyage, shall be admitted as general average.

(d) If a ship under average be in a port or place at which it is practicable to repair her, so as to enable her to carry on the whole cargo and if, in order to save expenses, either she is towed thence to some other port or place of repair, or to her destination, or the cargo or a portion of it is transhipped by another ship, or otherwise forwarded, then the extra cost of such towage, transshipment and forwarding (up to the amount of the extra expense saved), shall be payable by the several parties to the adventure in proportion to the extraordinary expense saved—(See Rule VII)

RULE XI—LOSS OF FREIGHT.

In every case in which a sacrifice of cargo is made good as general average, the loss of freight (if any) which is caused by such loss of cargo shall likewise be so made good—(See Rule XV)

RULE XI—WAGES AND MAINTENANCE OF CREW IN PORT OF REFUGE, ETC.

When a ship shall have entered or been detained in any port or place under the circumstances, or for the purposes of the repairs mentioned in Rule X, the wages payable to the master, officers, and crew, together with the cost of maintenance of the same, during the extra period of detention in such port or place until the ship shall or should have been made ready to proceed

ANTWERP, 1887.

LIVERPOOL, 1890.

ANTWERP, 1887.

LIVERPOOL, 1890.

on her voyage, shall be admitted as general average. But when the ship is condemned or does not proceed on her original voyage, the wages and maintenance of the master, officers, and crew, incurred after the date of the ship's condemnation or of the abandonment of the voyage, shall not be admitted as general average — (See Rule VIII.)

RULE XII—AMOUNT TO BE MADE GOOD FOR CARGO.

The value to be allowed for goods sacrificed shall be that value which the owner would have received if such goods had not been sacrificed. — (See Rule XVI.)

RULE XII—DAMAGE TO CARGO IN DISCHARGING, ETC

Damage done to or loss of cargo necessarily caused in the act of discharging, storing, re-loading and stowing, shall be made good as general average, when, and only when, the cost of those measures respectively is admitted as general average — (See Rule IX.)

RULE XIII—DEDUCTIONS FROM COSTS OF REPAIRS

In adjusting claims for general average, repairs to be allowed in general average shall be subject to the following deductions in respect of "new for old," viz.—

In the case of iron or steel ships, from date of original register to the date of accident—

Up to one year old (A)—All repairs to be allowed in full, except painting or coating of bottom, from which one-third is to be deducted.

Between one and three years (B)—One-third to be deducted off repairs to and renewal of woodwork of hull, masts and spars, furniture, upholstery, crockery, metal and glassware, also sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers and painting. One-sixth to be deducted off wire rigging, wire ropes and wire hawsers, chain cables

and chains, donkey-engines, steam winches and connections, steam cranes and connections; other repairs in full.

Between three and six years (C)—Deductions as above under Clause B, except that one-sixth be deducted off ironwork of masts and spars, and machinery (inclusive of boilers and their mountings).

Between six and ten years (D)—Deductions as above under Clause C, except that one-third be deducted off ironwork of masts and spars, repairs to and renewal of all machinery (inclusive of boilers and their mountings), and all hawsers, ropes, sheets, and rigging.

Between ten and fifteen years (E)—One-third to be deducted off all repairs and renewals, except ironwork of hull and cementing and chain cables, from which one-sixth to be deducted. Anchors to be allowed in full.

Over fifteen years (F).—One-third to be deducted off all repairs and renewals. Anchors to be allowed in full. One-sixth to be deducted off chain cables.

Generally (G).—The deductions (except as to provisions and stores, machinery and boilers) to be regulated by the age of the ship, and not the age of the particular part of her to which they apply. No painting bottom to be allowed if the bottom has not been painted within six months previous to the date of accident. No deduction to be made in respect of old material which is repaired without being replaced by new, and provisions and stores which have not been in use.

In the case of wooden or composite ships—

When a ship is under one year old from date of original register, at the time of accident, no

ANTWERP, 1857.

LIVERPOOL, 1890.

ANTWERP, 1857.

LIVERPOOL, 1890.

deduction "new for old" shall be made. After that period a deduction of one-third shall be made, with the following exceptions—

Anchors shall be allowed in full. Chain cables shall be subject to a deduction of one-sixth only.

No deduction shall be made in respect of provisions and stores which had not been in use.

Metal sheathing shall be dealt with by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped off, minus the proceeds of the old metal. Nails, felt and labour, metalting are subject to a deduction of one-third.

In the case of ships generally—

In the case of all ships, the expense of straightening bent iron-work, including labour of taking out and replacing it, shall be allowed in full.

Graving dock dues, including expenses of removals, cartages, use of shears, stages, and graving dock materials, shall be allowed in full.

RULE XIV—TEMPORARY REPAIRS.

No deductions "new for old" shall be made from the cost of temporary repairs of damage allowable as general average.

RULE XV—LOSS OF FREIGHT.

Loss of freight arising from damage to or loss of cargo shall be made good as general average, either when caused by a general average act, or when the damage to or loss of cargo is so made good—(See Rule XI, Antwerp).

RULE XVI—AMOUNT TO BE MADE GOOD FOR CARGO LOST OR DAMAGED BY SACRIFICE.

The amount to be

made good as general average for damage or loss of goods sacrificed shall be the loss which the owner of the goods has sustained thereby, based on the market values at the date of the arrival of the vessel or at the termination of the adventure—(See Rule XII, Antwerp.)

RULE XVII—CONTRIBUTORY VALUES.

The contribution to a general average shall be made upon the actual values of the property at the termination of the adventure, to which shall be added the amount made good as general average for property sacrificed; deduction being made from the shipowners' freight and passage-money at risk, of such port charges and crew's wages as would not have been incurred had the ship and cargo been totally lost at the date of the general average act or sacrifice, and have not been allowed as general average; deductions being also made from the value of the property of all charges incurred in respect thereof subsequently to the General Average Act, except such charges as are allowed in general average. Passengers, luggage and personal effects, not shipped under bill of lading, shall not contribute to general average.—(See Rule X Antwerp.)

RULE XVIII—ADJUSTMENT.

Except as provided in the foregoing rules, the adjustment shall be drawn up in accordance with the law and practice that would have governed the adjustment had the contract of affreightment no contained a clause to pay general average according to these rules.

YOUTHFUL OFFENDERS.—In this article we shall include all minors under twenty-one who commit offences, as, in some respect or other, the law has made special provision for them otherwise than for adult offenders. Thus, reformatory and industrial school detention may be applied to offenders up to nineteen and sixteen respectively. Persons above sixteen and under twenty who are convicted on indictment for offences punishable with penal servitude or imprisonment may be sentenced to detention in a Borstal institution, and in certain instances the Home Secretary may extend the limit to twenty-three years of age. The term "youthful offender" is generally applied to persons over fourteen; a child means a person under fourteen years of age, and young person means one who is over fourteen but under sixteen. A child under the age of seven is not punishable by any criminal court. After fourteen the minor is as fully responsible as adults, and only by special forms of sentence is there any difference of treatment. There is a dubious borderland between the age of seven and fourteen, where the law presumes that the child is like a child below the age of seven; but evidence may be given by the prosecution to show that the child in this case really knew that what he was doing was a wrongful act punishable by the law.

The law as to offences committed by all these various classes of offenders was further affected by the Children Act, 1908 (8 Edw. 7, c. 67), an "Act to consolidate and amend the law relating to the protection of children and young persons, reformatory and industrial schools, and juvenile offenders, and otherwise to amend the law with respect to children and young persons." Juvenile offenders here mean all offenders under sixteen.

In 1838 the first Act was passed which discriminated punishment for minors in order that they might not be sentenced to ordinary penal punishments and prisons, and brought the reformatory schools under statutory regulation. These schools were intended for criminal children only. In 1857 certified industrial schools were established for the detention of vagrant or other children except those charged with offences. Under the Children Act, 1908, offenders may be committed to one or other of these two kinds of schools which still retain their original distinction. The early Acts contained in the Schedule of the Children Act, 1908, were repealed, re-enacted, and amended by the Children Act, 1908, which was a Consolidating Act.

Some previous Acts not affected by the Children Act, 1908, still remain law. Thus, the Summary Jurisdiction Act, 1879 (42 & 43 Vict., c. 49) has the following provisions: When a child (that is, anyone under twelve) is charged before any Court of Summary Jurisdiction with an indictable offence (other than homicide) the magistrates may deal summarily with the child instead of committing him for trial, unless the parent or guardian or person having control over him objects. No more than one month's imprisonment can be given, or a fine of more than forty shillings imposed.

In addition to this, or instead, a male child may be ordered six strokes with a birch rod to be given privately by a constable, there being present a superior officer, and the parent or guardian if they wish. But the court has the reserved right of sending the child to a reformatory or industrial school. Where a young person, that is under sixteen, is charged before a Summary Court with any of the indictable offences set out in the second Schedule

of the Act, the Court may, if the young person consents, deal with him summarily, and may fine him not exceeding £10 or imprison him for not more than three months. There is a similar reservation of the right to send the young person to a reformatory or an industrial school. Moreover, the accused may be discharged without punishment if the court thinks the offence in the particular case was trifling. He may be ordered to pay such damages, not exceeding forty shillings, and the costs, as the court thinks reasonable, or he may be ordered to give securities for good behaviour with or without damages or costs.

We next come to the Probation of Offenders Act, 1907 (7 Edw. 7, c. 17), which also remains with little exception unaltered by the Children Act, 1908. An earlier Probation of First Offenders Act, 1887 (50 & 51 Vict., c. 21) was repealed by the Act of 1907, and therefore need not be more than mentioned. The Probation of Offenders Act, 1907, as amended by the Criminal Justice Administration Act, 1914 (4 and 5, Geo. V., c. 58), applies to adult, as well as to juvenile offenders. Where an offence is punishable summarily the court, if it is of opinion, having regard to the character, antecedents, age, health or mental condition of the person charged, or to the trivial nature of the offence, or to extenuating circumstances, that there should be no punishment or that it should be nominal, or that it is expedient to release the offender on probation, may, without convicting, make an order either—

(a) Dismissing the case, or

(b) Discharging the offender conditionally on his entering into security for good behaviour and to appear for conviction when called on at any time not more than three years after. Under the same conditions the same provision is made for the case of a person being convicted on indictment.

Moreover, damages and costs may be ordered against the offender and if he is under sixteen and it appears to the court that the parent or guardian has condoned the offence, the parent or guardian may be ordered to pay.

When securities are required on discharge, the condition may be that the offender shall be placed under the supervision of probation officers, and on such terms with respect to residence, abstention from intoxicating liquor, and any other matters, as the court may, having regard to the particular circumstances of the case, consider necessary for preventing a repetition of the same offence or the commission of other offences. By sec. 3 special probation officers, called Children's Probation Officers, are if such have been appointed, to be named in the probation order made where the offender is under sixteen. The duties of the probation officers are to visit, or receive reports from, the offender, to see that he observes the conditions of his discharge, to report to the court as to his behaviour, to advise, assist and befriend him, and when necessary to endeavour to find him suitable employment.

In the year after the Probation of Offenders Act, 1907, and later in the same year as the Children Act, 1908, the Prevention of Crimes Act, 1908 (8 Edw. 7, c. 59) was passed. The Prevention of Crimes Act, 1908, as amended by the Criminal Justice Administration Act, 1914, provides, so far as the subject of this article is concerned, for the following cases. (a) Where a person not less than sixteen and not more than twenty-one years is similarly convicted for an offence punishable by

imprisonment for one month or over without the option of a fine; and (b) it is proved that the offender has previously been convicted of any offence, or that having been previously discharged on probation, he failed to observe a condition of his recognisance, and (c) if it appears to the court that, by reason of his criminal habits or tendencies, or association with persons of bad character, it is expedient that he be detained for such term and under such instruction and discipline as appears most conducive to his reformation and the repression of crime, the court may, in lieu of passing sentence, commit the offender to prison until the next Quarter Sessions. The Quarter Sessions Court may then pass sentence of detention under penal discipline in a Borstal institution for not less than two years nor more than three years. A Borstal institution is defined, by section 4, as a place in which young offenders whilst detained may be given such industrial training and other instruction, and be subject to such disciplinary and moral influences as will conduce to their reformation and the prevention of crime. The name is taken from the juvenile-adult reformatory opened in 1901 at Borstal, near Rochester, a part of the convict prison there being used for that purpose. A youthful offender in a reformatory who on conviction of breaking the rules of the school, or escaping, might be sentenced to imprisonment, may be sent to a Borstal institution, and one undergoing penal servitude or imprisonment may be transferred by order of the Home Secretary. Under the regulations the offender may be released on licence after six months (three months if a female) and placed under the supervision of a society or person named in the licence, if there is a reasonable probability of his abstaining from crime and leading a useful life. If he does not conform to the conditions he may be arrested and be remitted to the Borstal institution. Also after the detention has expired he remains for one year under supervision, but he may be recalled if it is necessary for his protection, and detained for a like period. If a person in a Borstal institution is reported by the visiting committee to be incorrigible or exercising a bad influence on others, the residue of his term may be commuted by the Home Secretary to imprisonment with or without hard labour.

By the Children Act, 1908, where a person apparently under sixteen cannot be brought forthwith before a Court of Summary Jurisdiction the police must release him on the recognisances of his parent or guardian unless he is charged with homicide or other grave crime, or he associates with criminals or prostitutes, or his release would defeat the ends of justice. If he is not released he is to be kept in a provided place of detention (not a prison) on suitable premises. Also on remand or committal for trial, unless he is released, he must be kept in a place of detention, but the magistrate has discretion.

Where a child or young person is charged, and a fine, damages or costs, are imposed, they may be ordered to be paid by the parent or guardian, who may also be ordered to give security for the child or young person's good behaviour without proceeding to conviction. This is where the magistrate holds that the parent or guardian has conducted to the commission of the offence, and an appeal is given against the order.

A child cannot be sentenced to imprisonment or penal servitude, or committed to prison in default of payment of any fine, damages, or costs he may be ordered to pay. Nor can a young person, unless he is so unruly or depraved that he cannot be detained in a place of detention.

Sentence of death is not to be pronounced on or recorded against a child or young person. He is to be sentenced to such detention during His Majesty's pleasure as the Secretary of State may direct. In the case of a conviction for an attempt to murder, or of manslaughter, or of wounding with intent to do grievous bodily harm, there are similar provisions if the court is of opinion that other punishments under the Act are insufficient. When children or young persons are to appear as offenders before a Court of Summary Jurisdiction the court must be held in a different building, or on a different day, from the ordinary court, and a court so sitting is a Juvenile Court. Provision is to be made for preventing persons under sixteen from associating with adults whilst going to or from or attending at the court. All persons are excluded except necessary parties, unless they obtain the leave of the court, but *bond fide* press representatives are to be admitted.

When the offender is twelve years of age but under sixteen he may, if convicted of an offence which in an adult would be punishable with penal servitude or imprisonment, be sent instead to a reformatory school, and receive any such other punishment except imprisonment which can be inflicted on him as a youthful offender.

Anyone may bring before a petty sessional court a person apparently under fourteen years found begging, wandering without visible means of subsistence or proper guardianship, found destitute and having parents in penal servitude or prison, or being under the care of a parent or guardian of criminal or drunken habits, and in some other similar cases. The court may send him to an industrial school.

If a child apparently under the age of twelve is charged with an offence punishable in the case of an adult by penal servitude or a less punishment, any court before which he is charged may send him to an industrial school.

If he has apparently reached the age of twelve or thirteen years, and has not been previously convicted, a petty sessional court may send him to an industrial school instead of a reformatory.

A parent or guardian proving to the magistrates that he is unable to control a child, may obtain an order for him to be sent to an industrial school if the magistrate thinks fit, or place him under the supervision of a probation officer.

Poor law guardians and education authorities may obtain the same kind of order. The period of detention in a reformatory school for a youthful offender is not less than three and not more than five years, but it must not be beyond his nineteenth year. A child may be sent to an industrial school for such time as the court thinks desirable for its teaching and training, but not kept after attaining sixteen years. There are many other provisions as to licence, supervision after detention, and other matters for which reference should be made to the Children Act, 1908.

YUGO-SLAVIA.—(See JÜGO-SLAVIA)

YUKON.—(See CANADA)

ZAFFRE.—(See COBALT.)

ZANZIBAR.—The Zanzibar Protectorate includes the islands of Zanzibar and Pemba, lying off the coast of East Africa. Zanzibar has an area of 640 square miles, and a population estimated at 114,000, while the area of Pemba is 380 square miles, and its population about 83,000. The black population, mostly Swahili, is the most numerous, while the Arabs are the principal landholders and employers of labour. In the town of Zanzibar there are a few hundred Europeans engaged in trade.

Zanzibar is the most important trading centre in East Africa, and has earned the name of the "Liverpool of East Africa." It was formerly the starting point of the old slave caravan route, which crossed to the mainland and proceeded to Lake Victoria Nyanza or Lake Tanganyika; it is still an important centre of caravan trade, and its harbour presents many facilities for shipping and trade generally. The most important products are cloves, copra, and ivory. Vanilla and chillies are also of importance. Oranges and cloves thrive on the hills; and rice, manioc, and sugar cane on the plains. There is a light railway from Zanzibar town to the clove and cocoa-nut plantations to the north. The exports are mainly gums, ivory, copra, rubber, cloves, and hides; and the imports cotton goods, iron goods, beads, groceries, rice, grain, and petroleum. Most trade is with the United Kingdom, British India, British East Africa, France, and the United States.

Mails are despatched regularly once a month to Zanzibar direct, but there are also supplementary mail services via Marseilles and Aden for letters specially indorsed.

Zanzibar is 8,064 miles distant from London and the time of transit is about twenty days.

For map, see AFRICA.

ZEBRA WOOD.—The hard timber of a South American tree. It is light brown in colour, and has beautiful markings. It is used in cabinet work, but is very scarce.

ZEDOARY.—A species of *Curcuma*, an Oriental herbaceous plant, with a bitter, aromatic root. It has pungent properties similar to those of ginger, and is used for the same purposes. The best is obtained from Ceylon.

ZER.—(See FOREIGN WEIGHTS AND MEASURES—PERSIA.)

ZINC.—A bluish-white metallic element, never found pure in nature. Its ores are, however, widely distributed, particularly blende (*q.v.*), which is the

main source of the metal. Blende is largely imported from Germany, where it occurs in abundance. The commercial name for metallic zinc is spelter. The metal is obtained by crushing and roasting the ore, which is afterwards distilled with charcoal in earthenware retorts, the vapour being collected and condensed. Zinc is much used in the construction of electric batteries; for roofing purposes; for alloys, *e.g.*, brass (*q.v.*). It is also largely employed in the preparation of galvanised iron, *i.e.*, iron dipped into a bath of molten zinc in order to preserve it from rusting when exposed to the atmosphere. The oxide ZnO is used as a paint under the name of zinc white, and is also valuable for obtaining other compounds, *e.g.*, sulphate of zinc, also called white vitriol, and chloride of zinc, both of which have medicinal value. Zinc sulphate is a powerful emetic, but is chiefly applied externally, for its astringent properties, to sores, etc., generally in the form of ointment. Zinc chloride is used as a caustic and as an antiseptic.

ZOLL.—(See FOREIGN WEIGHTS AND MEASURES—GERMANY.)

ZOLLVEREIN.—In its origin this word denoted the German Customs Union, which may be considered as having been definitely formed in 1834. *Zoll* is the German word for a Customs duty or a toll, and *Verein* for any union or association. The importance of it in British politics and economics comes from its use in discussions on tariff questions, and especially from its connection with proposals for a commercial federation between the various states comprising the British Empire. The essential principle of the German Zollverein was the commercial union of a number of independent German States for establishing free trade intercourse between themselves with a common tariff of duties levied on States outside the union. There is a sufficient analogy between the situation of these separate States and those of the British Empire for the application of the term "Zollverein" to any proposal for the trade federation of the various members of that empire. This particular grouping of German States for commercial purposes was the earliest and most important, though later there were many others with similar objects; and it was, therefore, the German name which was used to describe any similar commercial union.

ZOLOTNICK.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

ZULULAND.—(See NATAL.)

APPENDIX
OF
ADDITIONS AND CORRECTIONS.

APPENDIX

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ACCOUNT CURRENT.—It should be noted that, where the rate of interest to be debited differs from that to be credited, it is necessary to work with balances only, but this has not been done in the example shown.

ADDRESS, FORMS OF.—Page 22, second column, line 18. The Chief Magistrate is *not* addressed as "Lord Mayor" in the case of Nottingham.

• **AFRICA**, the continent of raw materials and the continent of the future, is now almost wholly in the hands of European Powers, the only independent states being Abyssinia and Liberia. The former German possessions have been assigned as follows: German South-West Africa (now the Protectorate of South-West Africa), Mandate to the Union of South Africa; German Cameroons, Mandate to France and Britain; German Togo, Mandate to Britain and France; German East Africa (now the Territory of Tanganyika), Mandate to Britain (the districts of Ruanda and Urundi have been added to Belgian Congo). France and Britain possess more than half of the continent, the latter having the most valuable areas. The political divisions are:

British. The Union of South Africa, Rhodesia, Bechuanaland, Swaziland, Basutoland, the Protectorate of South-West Africa, Egypt, Egyptian Sudan, British Somaliland, British East Africa, Tanganyika Territory, Uganda, Nyasaland, Zanzibar Protectorate, enlarged Nigeria, enlarged Gold Coast Colony, Sierra Leone, Gambia, the Seychelles Islands, Sokotra, Pem, Mauritius, St. Helena, Ascension Island.

French. The protectorate of Morocco, Tunis, Algeria, enlarged French Equatorial Africa, Senegal, Upper Senegal and Niger, Niger Military Territory, Dahomey, French Guinea, French Ivory Coast, French Sahara, Obok, Madagascar, Réunion, Comoro Islands.

Italian. Tripoli, Entrea, Italian Somaliland.

Portuguese. Portuguese Guinea, Portuguese West Africa (Angola), Kabinda (a small area, north of the mouth of the Congo), Portuguese East Africa, St. Thomas and Príncipe Islands, the Madagas, Cape Verde Islands, the Azores.

Spanish. Spanish Morocco (northern coastal strip of Morocco), Rio de Oro, Rio Muni, Fernando Po, Annobon, Canary Islands.

Belgian. Enlarged Belgian Congo.

Independent. Abyssinia, Liberia.

ALIEN.—The Aliens Restriction (Amendment) Act, 1919, was passed in order to continue and extend the provisional regulations passed in view of the Great War, and contained in the Alien Restrictions Act, 1914. The most important provisions of the Act provide for proceedings being taken against aliens inciting British subjects to sedition, extending punishment for incitement to penal servitude for ten years, and on summary conviction three months' hard labour.

It has been suggested that a considerable amount of industrial unrest is due to the agency of aliens, and, under the Act, if it is proved that an alien is endeavouring to cause industrial unrest, and that he has not been *ad bona fide* workman in this

country for two years, he will be liable on summary conviction to three months' imprisonment.

Further restrictions are placed on the employment of aliens in relation to shipping matters—a pilotage certificate may not be granted to an alien, except in the case of a French Mate or Master, working a vessel to Newhaven or Grimsby, in which case the Pilotage Act, 1913, applies; the person holding the office of Mate, Chief Officer, or Chief Engineer of a British ship, and the Skipper or Second hand on a fishing vessel of British registry, may not be of alien extraction, unless a certificate has been granted by the Admiralty to an alien as having done good and faithful service during the war. Wherever aliens are employed on British ships, they must be paid the standard rate operating with respect to British subjects.

Limitations are also placed on change of name, and no change from the name by which an alien was known on the 4th August, 1914, may be made for the purpose of business either alone or in partnership, except on special grounds under an exemption granted by the Secretary of State. Special provisions are made with regard to former enemy aliens, who may, under the Act, remain in this country only on licence, and they are liable to be deported on an order by the Secretary of State.

For three years from the date of the passing of the Act, former enemy aliens may not land in this country without permission from the Secretary of State, and for the same period, no former enemy alien may acquire land, nor any interest in a key industry, nor shares in a company interested in a key industry or in the holding of British ships.

Full regulations are laid down for the working of the Act, and these are contained in the Aliens Order, 1919.

ANATOLIAN ISLANDS.—The former Turkish Islands of the Aegean Sea now belong to Greece and Italy. Among the most famous of them are Samos, Rhodes, Chios, Tenedos, Lemnos, Mitylene, Icaria, Patmos, Leros, Kalymna, Kos, Nisyros, Syrne, Karpathos, and Kasos. They are renowned in fable and story, and have formed links of commerce between Asia and Europe since early times. Their total area is about 2,660 sq. miles, and their population numbers about 350,000, most of whom are Greeks.

Productions and Industries. Some of the islands are very fertile, while others are masses of volcanic rock, rising abruptly from the sea, and are practically unproductive. Sponge-fishing is the chief industry; fruit, olive-oil, wine, raisins, and mastic are produced. All the principal islands have steamer communication with Greece and the ports of Asia Minor.

Samos (area 180 sq. miles; population 55,000), is a prosperous and fertile island. Its most active industries are the manufacture of wine, olive-oil, cigarettes, leather, and brandy. In former times it was the centre of Ionian luxury, art, and science.

Rhodes is a mountainous island of great beauty and fertility, but is only partially cultivated. It has played a conspicuous part in history, Rhodes, its capital, being one of the most magnificent cities

of antiquity. For 200 years it was the home of the Knights of St. John. It is now occupied by the Italians.

Mitylene, lying between the Dardanelles and the Gulf of Smyrna, possesses two good harbours, and is fertile and prosperous. It was the birthplace of Alcaeus and Sappho.

Chios or Scio, the most fertile of the islands, is the reputed birthplace of Homer—"the blind old man of Scio's rocky isle."

ARABIA.—The following information is additional to and in correction of that given in the article on ARABIA, page 101.

Political Divisions. Politically the divisions of Arabia are: (1) The Kingdom of Hejaz (area 150,000 square miles, and population 400,000); the Emirate of Asir; and the Imamate of Yemen (area 74,000 square miles, and population 750,000), coastal lands of the Red Sea; (2) Aden, Perim, Sokatra, and the Kuria Muria Islands, a British Crown Colony; (3) The Emirate of Hasa, on the western shore of the Persian Gulf; (4) the Sultanate of Kuwait on the north-west coast of the Persian Gulf (the Sultan is subsidised by the British Government, which maintains a Political Agent at the Court); (5) the Sultanate of Oman on the south-eastern coast (area 82,000 square miles, and population 550,000) has trading relations with and receives a subsidy from British India; (6) Hadramût (area 82,000 square miles and population 150,000) on the south coast ruled by a sheikh under British influence; (7) the Sinai Peninsula, belonging to Britain; (8) the Emirate of Jebel Shammer inland (population 200,000 Bedouins) and (9) the Emirate of Nejd, central, the true home of the Arab.

Coast Line. The west coast, 1,800 miles long, with no inlet of any size, has no good harbour, but open roadsteads, made difficult of approach by shoals and coral reefs. Yambo, Jeddah, Hodeida and Mokha are the chief outlets. The south coast possesses good harbours in Aden, Dafur and Keshum. On the east coast Maskat and Kuwait are fine, natural harbours, but the Persian Gulf has lost much of its old importance. There are a number of pearl-fishing stations on the islands of the Persian Gulf (notably the Bahrein Islands, which are under British protection).

Build. Arabia is a huge old plateau, a fractured and tilted block, 3,000 ft. in average elevation, buttressed by precipitous mountains which attain their greatest height in the south-west (10,000 ft.)

and east. Four regions may be distinguished: (1) The coastal strips of small extent; (2) the mountain rims; (3) the vast ring of sterile desert lying behind the mountains; and (4) the central plateau (Nejd), with long, undulating slopes, traversed by narrow and deep valleys. Nejd is connected by a ridge with the western coast range, and is the true home of the pure Arab, the Arab horse, the Arab camel, and the Arab donkey. South of Mecca the low-lying strip of sand and coral debris is called the Tehama. Sinai, in the north-west, is in reality a single mountain resting upon an immense rocky mass, and is comparatively unproductive. The central plateau, the deserts, and the coastal ranges each occupy about one-third of the area of the country. It should be noted that the Gulf of Akaba continues the Jordan rift, which can be traced to Lake Nyasa in Africa. No Arabian stream of any size flows to the sea, and only Yemen has perennial streams.

Production and Industries. Agriculture is practised

mainly in Yemen, Nejd, and Oman. Yemen is really "Araby the Blest." Terrace cultivation receives much attention, and among its agricultural products are the famous Mocha coffee (grown on the lower south-western slopes, where the climate is hot and moist, and mists rising from the sea protect the coffee trees from the too direct rays of the sun), fruit, grain, vegetables, coco-nuts, betel and bananas. Oman produces good cotton. On the oases of the Nejd dates, grain, peas and beans are raised. Senna is grown in southern Hejaz and the Tehama; balsam in the Safra region; henna on the west coast; frankincense, gums and myrrh in Hadramût; and indigo on the shores of the Persian Gulf.

The Pastoral Industry is of much importance. Bedouin Arabs roam over the pasture lands of the Nejd, and the grassy margins of the deserts with their fat-tailed sheep, camels, and fine breeds of horses. Goats, cattle, and asses are also reared in large numbers. The best horses come from Nejd; the best camels from Nejd, and Oman; and the best donkeys from El Hasa and Nejd.

The Pearl Fisheries of the Persian Gulf and the mother-of-pearl fisheries of the Red Sea are valuable.

Communications and Trade. There are no navigable rivers, no great caravan routes, and but one railway—the Hejaz, constructed as far as Medina, for the pilgrim traffic—in Arabia. From Baghdad a route crosses Nejd, and another from Damascus leads by the western coast ranges to Mecca. The chief exports are coffee, dates, salt, mother-of-pearl, animals, wool, hair, hides, pearls, dyes, senna, henna, gums, incense, and betel, and the imports mainly textiles, rice, grain, sugar, hardware, and weapons. Much trade is carried on at Mecca at the times of the Haj, and on the route to Mecca. Great Britain largely controls the shipping trade. Isolated by the seas and deserts, and traversed by no great trade route, but favourably placed for maritime trade, Arabia became in early times a centre of sea-borne commerce. Its coast-dwellers pushed their fortunes beyond their own shores, and the south coast carried on a highly successful trade with Africa, India, and the Far East. Aden (British) and Hodeida are the chief ports.

Trade Centres. *Mecca* (60,000), the birthplace of Mahomet, and, therefore, a sacred city of the Mahometans, is the chief city of Hejaz. It owes its commercial importance to the pilgrims who visit it, becoming during the times of pilgrimage a great fair. Except its great mosque, which contains the sacred Kaaba, there are few handsome buildings.

Medina (40,000) ("The City") is another holy city of Hejaz, and contains the tomb of Mahomet. It is 820 miles distant from Damascus, and is the present southern terminus of the Hejaz Railway.

Jeddah (or *Jidda*) (30,000), 60 miles from Mecca by rail, is the port of Mecca.

Yambo (or *Yambo*), 250 miles north of Jeddah, is the port of Medina.

Aden (British) town and territory on the south coast of Arabia, is more than 100 miles from the narrow straits of Bab-el-Mandeb, by which the Red Sea is entered, but sufficiently near to that entrance to be of great value as a naval and commercial depot. The total area is 75 square miles and the population is 47,000. The town of Aden is built in the crater of an extinct volcano. Fresh water is obtained by the evaporation of sea water, and large tanks have been cut in the rock to receive

the storm-brought rains. The harbour is the entrepôt of trade between Europe and Arabia on the one hand, and India, Arabia and the east coast of Africa on the other. Aden is on the great ocean trade route to India, the Far East and Australasia, and is an important coaling station.

Hodeida (18,000), the chief Arabian Red Sea port, and the port of Sanaa, ships much coffee and hides.

Sanaa (20,000) the capital of Yemen, is a well-built town in a fertile district, standing 7,600 ft. above sea-level.

Shibam is the capital of Hadramût; and **Makalla**, its port, exports frankincense and myrrh.

Masfat (60,000), the capital and chief port of Oman, is a good but unhealthy port. It exports dates, salt, fish, pearls, and mother-of-pearl.

• **Koweit** (25,000), the proposed terminus of the Baghdad Railway, is the chief port and town of the Sultanate of Koweit. It exports horses, dates, pearls, and wool.

Mokha is a small port of Yemen. Hodeida now ships most of the Yemen coffee, formerly handled mainly by Mokha.

Hail (permanent population about 10,000) is the capital of Jebel-Shammar.

Riyadh is the capital of Nejd

Kanfuda is the capital of Asir

ARMENIA AND TURKISH KURDISTAN.— Position, Area, and Population.

Independent Armenia and Turkish Kurdistan lie between the Republics of Georgia and Azerbaijan (Caucasia) and protected Mesopotamia, having the Black Sea on the north, Anatolia on the west, and Persia on the east. Armenia has an area of about 30,000 sq. miles, and its population in 1915 was estimated at 2,000,000. (Indiscriminate slaughter has greatly reduced the population.) Kurdistan has an area of about 40,000 sq. miles and a population of 1,300,000. The Armenians became Christians in the third century, and have kept their faith in spite of much persecution. Lofty mountains, widespread uplands, and deep isolated valleys have kept the Armenian race distinct. Two types of Armenians may be distinguished—the patient, persecuted farmer in the homeland, and the trader found in the Eurasian seaports, who is shrewd, industrious, persistent, and skilled in finance. The Kurds are wild, nomadic pastoralists, and are nominally Mohammedans.

Build. Both countries form a lofty plateau, between 4,000 and 7,000 ft. in height, which is crossed by mountain ranges running east-north-east to west-south-west. Mount Ararat (17,385 ft.), a volcanic cone, at the foot of which tradition asserts the Garden of Eden lay, is the highest point of the region. Unchecked license on the part of tribal shepherds has resulted in the treelessness of large areas, which adds to the general monotony of the plateau. In the centre lies the fertile volcanic district of Van, with its salt lake 2,000 sq. miles in area. Deep and narrow valleys, wide plains, rolling prairies, barren wastes, luxuriant pastures, and gloomy mountain masses make up the principal physical features of the plateau. The chief rivers are the Aras, flowing to the Caspian, and the Euphrates and Tigris, flowing to the Persian Gulf.

• **Climate.** On the higher reaches of the plateau the winter is long and the cold severe; the summer is short, dry, and hot. The temperature of Erzerum (the Siberia of Armenia) varies from 22° to 84°F. Snow sometimes falls in June and in July the wells near Erzerum are occasionally thinly frozen over.

The rainfall is not heavy, and in summer the plains are scorched and demand irrigation.

Production and Industries. Agriculture is in a primitive state, but with future happier conditions it should prosper. Grain, tobacco, cotton, and grapes are grown in the sheltered valleys. The pastoral industry is naturally important, sheep and goats being fed in large numbers. Forests of oak ash, and walnut clothe the lower mountain slopes, but forestry is little developed. Mining may develop when railway facilities are provided. Manufactures are represented by leather at Erzerum, and carpets and rugs at Bitlish.

Communications and Trade. Roads are poor, and railways are lacking. Goods are conveyed by mule or camel caravans to Black Sea ports and Anatolian centres, and rafted down the Tigris to Mesopotamian river ports. The chief exports are wool, grain, hides, and fruits; and the chief imports are sugar, coffee, and textiles.

Trade Centres. **Erzerum** (70,000) the chief town of Armenia, is a caravan centre, on the Upper Karasu or Euphrates. It is a great trade centre and emporium.

Trebizond (60,000), on the south-eastern corner of the Black Sea, is the chief Black Sea port of Armenia, and is the centre of the transit trade from Persia. It exports wool, mohair, skins, gall-nuts, wax, gums, and shawls.

Diarbekir (40,000) on the upper Tigris, marks the intersection of routes. It is the head of raft navigation on the Tigris, and ships goods to Mosul. There are copper mines near the town.

Bitlish (35,000), **Van**, **Kharput**, and **Mush** are other trade centres.

AUSTRIA.—The former Austria-Hungary has been divided into several Republics, of which Austria is the German-speaking Republic. The Republic is entirely inland, and comprises the states of Upper and Lower Austria, Styria, Carinthia, Salzburg, Northern Tyrol, Vorarlberg, and Leichtenstein. Its area is 40,000 square miles and its population 9,500,000. It lies between Germany and Yugo-Slavia, having Switzerland and Italy on the west and south, and Czechoslovakia and Hungary on the east and south.

• **Hungary** is a Magyar Republic, comprising a large division of the former Austria-Hungary. It is entirely inland, and lies between Czechoslovakia and Yugo-Slavia with Austria on the west, and Rumania and the Ukraine on the east. Its area is 60,000 square miles, and its population 12,000,000. (See HUNGARY.)

BELGIUM.—The area of Belgium is now approximately 11,380 square miles, Germany having ceded Eupen, Malmédy and part of Moresnet. A small area is yet to be decided by plebiscite. By the Anglo-Belgian Agreement of July, 1919, the districts of Ruanda and Urundi (area 15,000 square miles, population 3,000,000), portions of the former German East Africa, were added to Belgian Congo.

BULGARIA is now bounded by Rumania on the north, Yugo-Slavia on the west, Greece and Turkey on the south, and the Black Sea on the east. Greece has gained the former Aegean coastlands of Bulgaria, so that the latter has now only a sea-outlet on the Black Sea.

BULKING AND LOADING.—Page 255, third line from bottom. Read (See RAILWAY CONSIGNMENT OF GOODS BY).

CIVIL SERVICE.—For the article on pages 353-5, the following should be substituted. The

Civil Service, as the name implies, consists of servants, not necessarily clerks, of the Crown, who perform duties of almost every description, except those of a purely naval or military character.

In strictness, the term should include only permanent, pensionable officials, but, in practice, boy clerks, clerks in district probate registries, personal clerks in the Board of Trade, valuers under the Land Valuation Act, hired accountant clerks and writers in the Admiralty, clerks to surveyors of taxes, and many other officers who are paid by the State, are also included in the term, while postmen and metropolitan police officers should be, but are not.

The chief Government offices are in the neighbourhood of Whitehall, London; but Somerset House, the best known centre of employment, is in the Strand; the largest—the new General Post Office—stands on the site of Christ's Hospital in Newgate Street, and the Custom House, the British Museum, the Post Office Savings Bank, the Royal Observatory, and the Imperial Institute are miles apart. In Edinburgh and Dublin most of the Government offices are in or near George Street and the Castle respectively, while Wales has none excepting the usual Inland Revenue offices, post offices, and prisons.

In dealing with His Majesty's Civil Service, it is neither desirable nor necessary to go back to the origin of things and trace the steps by which the various departments have developed into the efficient organisations they are to-day.

It will suffice to explain that prior to 1855 the English Civil Service was entirely recruited by nomination, a very elementary qualifying examination, conducted by the head of the department to which the nominee had been appointed, being the only test of fitness which the intellect or finesse of the early nineteenth century had been able to evolve.

In the year 1855, however, the Civil Service Commissioners were appointed, and it is their duty to test, by examination and otherwise, the fitness of every civil servant for the post to which he aspires. It was not, however, until 1870 that the principle of open competition was applied to certain appointments in public departments, a principle which was—and, we think, wisely—being continually extended until some fifteen years since, but then there arose a tendency to remove appointments from the list of open competitions and fill vacancies by nomination. There is for this, and for every other human scheme, much to be said on both sides; and, if it is conceded that the student who passes the most creditable literary examination is not always the most efficient and businesslike official, it is certain that the best possible civil servant does not exist among the partisans of any political party, and that an open competitive examination places both candidate and examiner beyond the suspicion of favouritism.

The New Civil Service. The Report of the Reorganisation Sub-Committee of the Civil Service National Whitley Council was issued on the 17th February, 1920, but no Regulations have yet been published in regard to the New Grades created and no open competitive examination for any of the new grades has taken place.

The Recruitment and Status of Women in the Civil Service. *Pay.* The basic scale of each class is to be the same for women as for men, and the incremental rates are to be identical up to a point.

Clerical Class. Girls will enter the class by a separate examination (written papers, open

competition) but the age limits will be, girls 16½ to 17½ years, boys 16 to 17, and separate seniority lists will be necessary.

Administrative and Executive Grades. The mode of entry for men will be by open competitive examination, but for women a system of selection by impartial and authoritative Boards will be set up. The document which gives effect to this reincarnation of nomination, a plan never free from the suspicion of nepotism—naively tells us "the staff side attaches great importance to the principles of recruitment by open competitive examination."

Classification. There are to be four main classes, viz.—

(a) A Writing Assistant Class for simple mechanical work.

(b) A clerical class.

(c) An executive class.

(d) An administrative class.

(a) *The Writing Assistant Class.* Women Writing Assistants are already employed in the Post Office and the Ministries of Health and Labour, and they are to be introduced into the Ministry of Pensions and elsewhere.

These are to be recruited by open competition, age limits 16 to 17 years, and the salary will be 18s., 20s., and 22s. per week on entry, at 17 and at 18 years of age respectively, rising to 36s., these salaries being, in all cases, pre-war and therefore subject to increase in respect of War Bonus. The annual leave is 18 working days per annum for five years, and 21 days thereafter, and the working week consists normally of 39 hours.

(b) *The Clerical Class.* These officers will perform all the simpler clerical duties, check straightforward accounts, drafting and précis work and supervise the work of Writing Assistants. They are to be recruited by open competitive examination. The age limits are, youths 16 to 17, girls 16½ to 17½ years. The standard of qualification in both cases is to be the Intermediate Stage of the Secondary School Curriculum. The salary scale is then £60, rising to £250, Women £60 rising to £180, Higher Grade £300 to £400, and £230 to £300 respectively, to which, at present, War Bonus must be added. The annual leave is, lower grade 24 days, higher, 36 days.

(c) *The Executive Class.* The duties of this class include the higher work of supply and accounting departments and of other executive or specialised branches. Men are recruited by open competitive examination, age 18 to 19 years, women are "to be recruited by means of authoritative and impartial selection boards, between the ages of 18 and 25." The literary test for men will be the "standard reached at the end of the secondary school course." Salary, etc. The scale for men is £100 rising to £400; Higher Grade £400 to £500; Women £100 rising to £300, Higher Grade £300 to £400. The annual leave is, lower grade 36 days, higher 48 days.

(d) *The Administrative Class.* The duties of this class are concerned with the formulation of policy and the general administration and control of the departments of the public service. Recruitment is partly by promotion from within the service and partly by open competitive examination limited to men aged 22 to 24, the standard of examination being that embraced by the various University Honours Courses. Women may be recruited directly to this class between the ages of 22 and 30 years, being "chosen by an authoritative and impartial selection board—with and without

qualifying examination." The salary scale is, men £200 rising to £500, women £200 to £400, and the annual leave is 36 working days for the first ten years and 48 days thereafter.

Typists and Shorthand Typists. The age limits for entrants will be 18 to 28 years, and the pay 22s. to 36s. per week; for shorthand-typists they are 28s. to 46s. per week, superintendents £150 to £180 per annum with, of course, the usual War Bonus. The normal hours are 39 per week, and the leave varies from 18 working days for the first five years of service, to 30 days as chief superintendent.

The Examinations. Beyond abolishing that flagrant evil, the Temporary Boy Clerk service, we do not regard the Reorganisation Committee as having accomplished much. The Female Writing Assistant will do this Boy Clerk's work and her examination will be in elementary subjects: English composition, handwriting, spelling, arithmetic, geography and reading MS., the clerical grade test will differ little from that prescribed for the defunct Second Division, and the Executive and Administrative examinations will approximate to the old Intermediate and Class I (Home Civil Service) schemes.

Some or all the foregoing classes are employed in the typical Government department, and they form the clerical staff of the Admiralty, Chief Secretary's Office (Ireland), Civil Service Commission, Colonial Office, Customs and Excise, Foreign Office, Home Office, India Office, Inland Revenue, Post Office, Privy Council Office, Office of the Secretary for Scotland, Board of Trade, Treasury, War Office, and Office of Works.

Customs and Excise Officers. There are other classes of civil servants, amongst them over 6,000 Customs and Excise officers, most of whom enter as officers of Customs and Excise, but some (those in the Customs Preventive Service) pass a single examination after nomination by the Treasury.

Post Office. The Post Office Service is recruited partly by open competitive examination, and partly by competitions limited to persons already serving in lower or temporary positions, and by time-expired Army and Navy men and Reservists, and the maximum salary attainable by a sorting clerk and telegraphist (male) is 59s. per week.

There are, in some Government departments, medical officers, solicitors, draughtsmen; engineers, chemists, schoolmasters, veterinary inspectors, inspectors of coals, geologists, shorthand writers; librarians, lithographers, analysts; architects, fossil collectors, organisers of kindergarten, cookery, and laundry, printers, town-planning assistants, doorkeepers, ushers, searchers of cotton marks; pole inspectors; hundreds of clerks distinguished from the rest by a prefixed adjective such as principal or first-class, and many thousands who are described just as clerks, and are paid much lower salaries.

Females in the Civil Service. The chief appointments open to women in the Civil Service are Women clerks, female writing and sorting assistants, girl probationers, and female typists in the General Post Office, sorting clerks, telegraphists, and telephonists everywhere in the United Kingdom, and there are a few female clerks in the Board of Education, England. Most of these posts are open to public competition, but female learners in small provincial towns, telephonists and female typists in offices other than the General Post Office, are

still nominated by the Postmaster-General, or, in the case of female typists, by the Head of the Department in which they serve.

The chief Civil Service appointments abroad are: The India Civil Service, for which the average number of vacancies is about fifty-four annually, and the average number of competitors 179; not a very keen contest, but the successful men are invariably university graduates in Honours, and they sit at the ordinary Civil Service Class I examination.

The India Forest Department and the India and Colonial Police Departments are both excellent services, the former requiring an Honours degree in natural science and nomination by the Secretary of State for India, the latter being recruited by an open competitive examination held in June each year.

Eastern cadets pass the Class I examination and are appointed to the Civil Services of Ceylon, Hong Kong, the Straits Settlements, and the Federated Malay States, and aspirants to the General Consular Service, whence come our consuls and vice-consuls, are nominated by the Secretary of State for Foreign Affairs, and then pass an examination (limited to about thirty-six nominated candidates for, say, six appointments) in English subjects: French, German or Spanish, Law, and Political Economy.

The regulations governing all Open Competitive Examinations in the Civil Service can be obtained from the Secretary, Civil Service Commission, Burlington Gardens, London, W; those relating to nomination appointments can only be obtained from the head of the department in which the appointment exists, and most of the Colonial Civil Services are recruited in the Colony only. In this connection it may be noted that the Canadian Civil Service Commission is at Ottawa, and that of Cape Colony is at Capetown, and so on.

Vacancies in the English Civil Service will be found advertised in the chief daily papers on Thursdays, and they are invariably notified also in *Pitman's Journal*, and in other periodicals devoted to education and commercial training.

Perhaps the factor which attracts men and women to the English Civil Service most forcibly is the superannuation scheme. All female civil servants obtain, after certain service, a gratuity or dowry on marriage, when they must resign their appointments, or a pension on retirement (at the age of sixty or for ill-health) of one-sixtieth of final salary, multiplied by the number of years served, subject to a maximum of forty-sixtieths, and all male civil servants (subject to certain service) obtain about a year's salary down (this gratuity is paid to the legal representative of a man who dies in harness) and a pension of one-eightieth of final salary, multiplied by the number of years served, and subject to a maximum of forty-eightieths.

CONSIGNMENT OF GOODS BY RAIL.—Page 417, cross-reference at end of article should be See RAILWAY, CONSIGNMENT OF GOODS BY.

CONVEYANCE.—For new rates of duty, see the article STAMP DUTIES.

CORPORATION PROFITS TAX.—See PROFITS TAX.

DENMARK.—As a result of the plebiscite Denmark has gained Schleswig, which it lost in the sixties of last century.

DEPORTATION.—See ALIEN, page 1735.

ESTHONIA.—Position, Area and Population. Esthonia is a Baltic republic, recognised by the

Allies in May, 1918, and comprises the former Russian Governments of Estland, the northern part of Livland, and the north-western portion of Pskoff. It is bounded on the north and west by the Baltic Sea, on the south by Latvia, and on the east by European Russia. Its area is about 7,800 square miles, and its population 500,000. Estonians comprise 95 per cent. of its population, the remainder being Germans, Russians, Letts, Swedes, and Jews.

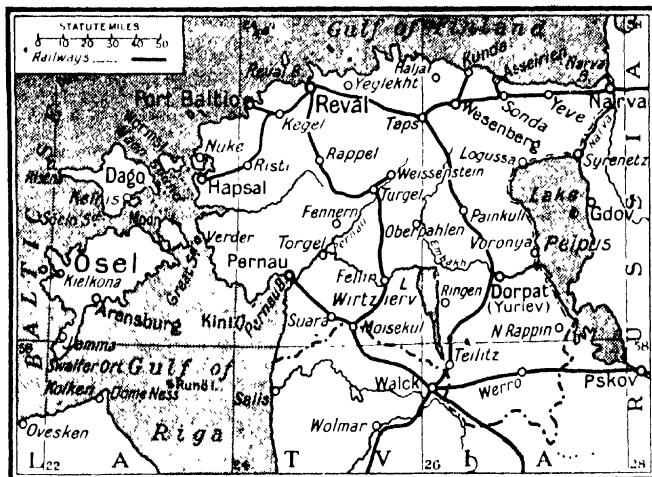
Build and Climate. Structurally Esthonia forms part of the Great Central European Plain, and is a low morainic land dotted with marsh and lakes and covered with forest. Its climate is continental—hot summers and severe winters.

Industries. *Agriculture*, notwithstanding the poor glacial soils, is the chief occupation, the chief crops being rye, barley, oats, flax, hay and potatoes. Half the area of Esthonia was formerly taken up

EXCESS PROFITS.—The rate of duty was increased, in 1920, to 60 per cent.

FINLAND.—For article on page 702, the following should be substituted **Position, Area, and Population.** The Republic of Finland, which proclaimed its independence in 1918 and adopted its new constitution in June, 1919, was formerly a Grand Duchy of Russia, to which country it was ceded by Sweden in 1809. On the north the Republic is bounded by Norway and the Arctic Ocean; on the west by Sweden and the Gulf of Bothnia; on the east by European Russia; and on the south by the Gulf of Finland and European Russia. The coast-line is broken up by innumerable bays and fiords studded with islands, and has tended to produce a sailing race. Finland has an area of 144,255 sq. miles with a population of only 3,500,000.

Build, Climate and Soil. Finland, Fennland, Suomi or Suomensaa, the Land of Swamps, consists of a



Esthonia.

by large landed properties of more than 5,000 acres, but these are now being parcelled out. *Dairying* is becoming important, more than 400,000 cattle being kept. *Lumbering*—One-fifth of Esthonia is forest-covered, and timber forms an important export. *Manufactures* are on a small scale, and include distilling, sugar-refining, oil-pressing, woollens, cotton, linen, tobacco, soap, and petroleum.

Commerce. Flax, timber, cereals, cellulose and meat are the chief exports, while textiles, non goods, tea and coal are the chief imports.

Trade Centres. *Reval* (160,000), the capital and chief port, was founded in 1219 on the southern shore of the Gulf of Finland, not far from its entrance. It exhibits the usual features of a commercial mart of the Hanseatic League. Its exports are flax, cereals, and timber.

Yuriev (Dorpat) (60,000) is a university town. *Pernau* (23,000), on the Gulf of Riga, is the second port.

Narva (35,000), situate on limestone hills near the mouth of the Narova, has textile industries, power being obtained from the falls of the Narova

low undulating and heavily glaciated plateau to granitic and crystalline rocks covered with morainic deposits. The land rises steadily from south of north and slopes gently gulfward and seaward. Wooded marshes occupy 20 per cent of the region; 12 per cent. is covered by lakes which are so numerous that the country is called the "land of thousand lakes", and 60 per cent. is forest land. Fully 25 per cent. of the land lies beyond the Arctic Circle, and its southernmost districts do not extend beyond 60° N. Lat. Its climate is, therefore, severe, though stimulating and healthy, and the variety in the length of the days is remarkable. The daylight in the summer in the northern parts lasts continuously for two months, and even in the south the longest summer day extends over eighteen hours. This vast amount of light counterbalances to a large extent the effect of the long winters as well as the frigidity of the glacial soils; it accelerates the work of the natural creative forces of the soil to a degree which seems almost miraculous.

Productions and Industries. By dint of labour and intelligence the Finns have made the utmost

use of the 3 per cent. of land which is fit for agriculture, growing crops of barley, rye, oats, potatoes and beetroot. They have created a flourishing dairy industry by turning all the meadow land—about 5 to 6 per cent. of the entire area—into pastures. The lakeland is in the regular path of the winter cyclones, a condition very favourable to the growth of such hardy trees as Scotch pine, fir and birch. Deciduous forests predominate in the south-west. A large and ever-growing timber and paper-milling trade has been developed, the water-power

State-owned, and aggregating nearly 2,000 miles in length, which is connected with the Russian and Swedish systems, and is intersected in various directions by canals and navigable rivers of a total length of 2,760 miles. It exports timber, wood pulp, pitch, resin, dairy produce, fish and game, and imports agricultural produce, textiles and machinery. Its chief trade is with the United Kingdom, Russia, Sweden and Germany.

Trade Centres. *Helsingfors* (162,000), situate on a fine bay on the Gulf of Finland, is the London, Oxford and Liverpool of Finland. Liberally provided with monumental buildings, extensive parks, monuments and educational establishments, the town conveys the impression of a thoroughly progressive European city. It possesses a fine, double deep-water harbour, which is protected by the island of Sveaborg.

Abo (54,000), the old capital and the most ancient city in Finland, is now the ecclesiastical capital and the second port. It is engaged in shipbuilding and deals in timber and grain.

Tamperfors (50,000) on the Gulf of Finland is a textile centre.

Uleaborg (22,000) on the Gulf of Bothnia exports timber.

Hangö on the Gulf of Finland exports butter.

Viborg on the Gulf of Finland is a railway, canal, and tourist centre.

Alesandrovsk is a port on the Arctic Ocean practically ice free.

GERMANY.—The present Republic of Germany has an area of approximately 173,000 square miles with a population of 57,000,000. It includes the former German Empire with the following exceptions: Alsace and Lorraine, and the Saar basin coalfields ceded to France (the Saar basin is to be administered by the League of Nations for fifteen years, and then its fate is to be decided by plebiscite); Eupen, Malmédy, and part of Moresnet ceded to Belgium; Luxemburg now detached from the German sphere of influence; a small portion of Upper Silesia, ceded to Czecho-Slovakia; Schleswig, decided by plebiscite to be Danish; Danzig and Memel districts under the administration of the League of Nations; the Masurian Lake Plateau and Southern Silesia to be decided by plebiscite; Posen, West Prussia, and part of Upper Silesia ceded to Poland. Germany's former colonial possessions have been assigned as follows: Togoland and Cameroons to Great Britain and France; German East Africa (Tanganyika Territory) to Great Britain; German South-West Africa to the Union of South Africa; German Pacific Possessions north of the equator to Japan, south of the equator to Australia and New Zealand; Shantung to Japan (who has returned it to China).

HEAVY LOCOMOTIVES.—For licence duties see LICENCES.

KURDISTAN. See ARMENIA AND TURKISH KURDISTAN (above).

LANDLORD AND TENANT.—The increase of Rent and Mortgage Interest (Restrictions) Act, 1920, must now be read in conjunction with this article. See also RECOVERY OF PREMISES.

LEEWARD ISLANDS.—The first paragraph under the sub-heading "Chief Islands," should be deleted, as the islands there mentioned form the Leeward Group of the Society Islands in the South Pacific, and not part of the Leeward Islands of the West Indies.



Scale 0 50 100 150 Miles Railways

Finland.

of the rivers being largely utilised. A growing business is done in granite and other stone, and iron ore is mined between Abo and Helsingfors and between Kuopio and Viborg. The humid climate of the south-west, the abundance of water-power, and the presence of good harbours have favoured the growth of cotton manufactures at Tamperfors (the "Manchester" of Finland) and Wasa.

People. The Finns are a sturdy, steady, industrious and highly-civilised race of the Uralo-Altaic family, to which also the Magyars of Hungary belong. Latitude, forest shade and high humidity have bleached them; and the dull northern sky, the general gloom and monotony of the landscape, the niggardliness of nature, and the loneliness of the land have made them sober, serious and silent. Their art, poetry, music and education reach a very high level.

Communications and Commerce. Finland possesses a well-developed, railway system largely

PATENTS.—Changes have taken place in the law as to patents and designs by reason of the passing of the Patents and Designs Act, 1919. The main provisions are aimed at the prevention of the abuses of monopoly rights. New rules are set out amending Sect. 27 of the Patents Act, 1907, and conditions set forth for extension of the granting of licences in respect of patents not being worked on a commercial scale in the United Kingdom within four years of the granting of the right. Similarly, "licences of right" may be marked against a patent in the register where its working is prevented by the importation of goods protected by the patent, and where the reasonable demands of the public are not met. Compulsory licences are granted, however, only under conditions which give the patentee the

maximum advantage together with equality of advantage to all licensees. (See **PATENTS**.)

Under Sect. 6 of the Act of 1919, the period of grant is extended to sixteen years, existing patents benefiting by the extended period, subject to hearing by the Controller of any one prejudiced by the extension. The Court is authorised to consider upon whom liability for any loss sustained by such extension will fall and the amount of such loss.

Under Sect. 8, the rights of the Crown in regard to patents are definite, and it is expressly laid down that the grant of the patent is good as against the Crown, the use on terms by Government Departments being provided for. The Act further provides for the registration of patent agents.

